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John Company At Work

A STUDY OF EUROPEAN EXPANSION IN
INDIA IN THE LATE
EIGHTEENTH CENTURY

BY
HOLDEN FURBER

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To

Elizabeth Chapin Furber

PREFACE

It is now twenty years since I opened a bound volume of original letters of a British governor-general of Bengal in Mr. Francis Edwards' bookshop in Marylebone. What I read there convinced me that the world knew little of the story of the building of the British Empire in the East. Of wars, conquests, and annexations, we have heard a great deal, yet we are scarcely acquainted with the lives of those thousands of European men and women who sought economic security for themselves and their children through contact with the East. In this book I propose to tell how European expansion took place in India and to describe the consequences of the growth of European power in India at the close of the eighteenth century.

The scope of this work is not limited as much as might be supposed by the fact that I have given my closest attention to the decade of peace in Europe which intervened between the American and French revolutions. The economic and social forces here described were at work under one guise or another throughout the period of the consolidation of European power in India, 1757-1818. By thoroughly understanding what happened during one decade, we can gain a clearer conception of what occurred before and what came after. From one point of view, the story here told spans three centuries of time, for Europeans have striven to find a way of life for themselves in India ever since the first European merchant ship dropped anchor in an Indian roadstead.

No one should approach a study of this kind with any sense of bias or prejudice. The eighteenth century is sufficiently remote from our own day to enable us all, whether Europeans or Indians, to view its history in an objective and impartial spirit and to refrain from misusing the history of that age for

propaganda purposes in the political and economic controversies of today. It is vitally important that the educated public both in India and in Britain should understand what then went on, for there is hardly a historical subject which has given rise to more special pleading than this. Anglo-Indian like Anglo-Irish history in this era has grievously suffered because so many of its pages have made neither easy nor cheerful reading. It behooves us to remember, however, that, irrespective of any moral judgments any of us may wish to pass upon it, the story of European expansion in Asia forms one of the great epics of modern times. The Europeans who traded and fought east of the Cape of Good Hope laid the foundations of our world no less than those who occupied two comparatively empty continents, and the storms of our day beat upon their work as strongly if not more strongly than upon that of their fellows.

The ideal historian for modern India should doubtless be neither a European nor an Asian, but that ideal historian does not exist. Yet I have felt that a work on this period should be written by an American. Though fully aware of a European heritage from which I cannot divest myself, I have done my best to present a narrative which is unaffected by any sort of bias. In order better to understand the setting in which these events took place, I visited nearly all the places in India where the European trading companies maintained "factories" in the eighteenth century. I should like to express here my appreciation of the courtesy with which I was received by the officials at the government record offices in New Delhi, Calcutta, Madras, Bombay, and Poona.

James Grant Duff, the historian of the Marathas, has well said: "The records of the East India Company's governments in India are probably the best historical materials in the world." These records are not only the best but the most voluminous of materials, so voluminous indeed that their sheer bulk is perhaps the greatest obstacle which a historian of modern India has to face. There are at least 48,000 volumes

of manuscripts at the India Office covering the two and a half centuries of the East India Company's official existence, an average of approximately 2000 per decade, more than any American can master in the time ordinarily at his disposal. I am consequently much indebted to Mr. W. T. Ottewill, former Superintendent of the Records, at the India Office for the kind and courteous attention given me during my work there. Because of the efficiency of its staff and the amenities of its library, the India Office (now, together with the Dominions Office, transformed into the Commonwealth Relations Office) is one of the most satisfying places in which a scholar can work in London.

The records of the Dutch East India Company in the *Algemeen Rijksarchief* at The Hague are almost as voluminous as their English counterparts. Together with the corresponding, though less voluminous, records of the French East India Company at Paris and the Danish East India Company at Copenhagen, the Dutch records have often served as my guides through otherwise impenetrable masses of the English company's records. My obligations to the staffs of the national archives of the Netherlands, France, and Denmark are great, and I owe a special debt of gratitude to Mijneer H. Brouwer, *Hoofdcommis* at the *Algemeen Rijksarchief*, who taught me how to find my way about in the labyrinth of the Dutch company's MSS.

The use of a considerable body of material in languages other than English has made it not only desirable but essential to modernize, in nearly every instance, the punctuation and capitalization of documents in English. The eighteenth-century Englishman's liberal use of capitals according to no fixed rule is in any case confusing to the modern reader. Every quotation made therefore follows a uniform standard and is either an English original with its capitalization and punctuation modernized or an accurate translation into English of a French or Dutch original.

In using Indian terms, I have been guided by the fact that, while nearly all Indian readers of English understand European usage, there are relatively few Europeans who understand Indian usage. For this reason I have ordinarily not used the Indian system of tabulating sums of money, that is, I have usually written one lakh of rupees as 100,000 rupees, *not* as 1,00,000 rupees, and I have used Indian terms of weights and measures as sparingly as possible. With regard to proper names I have followed the practice which seems most intelligible. It is to my mind unwise to write Karnatik for Carnatic and so to place many a locality well known to European readers of eighteenth-century Indian history in unfamiliar dress. On the other hand, I have modernized the spelling of names wherever possible according to my judgment, and whenever I have used an Indian word which has not passed over into English, I have italicized it.

When I began this work I planned to write a study of the consolidation of British power in India between 1783 and 1818, but as my work has progressed it has seemed to me wiser to contemplate delving further back into the eighteenth century, should it be possible to pursue a project of this kind in the future. I therefore hope that this book may prove someday to be the last volume of a history of European enterprise and expansion on the continent of India during the eighteenth century, a work which will take up the story where Sir William Wilson Hunter left it—at the union of the two rival English East India companies in 1708—and carry it down to the outbreak of the French Revolutionary Wars. That this volume has appeared at all is largely due to the award of a John Simon Guggenheim Research Fellowship for the year 1937-38 and to the wise counsel and encouragement of friends both here and abroad. Among them should be mentioned Professor C. H. McIlwain and the late Professors W. C. Abbott and E. F. Gay of Harvard University, Professor Sir Reginald Coupland of Oxford, Sir William Foster of the India

Office, the late Professor H. H. Dodwell of London University, and especially Dr. C. H. Philips, also of London University and its School of Oriental Studies.

HOLDEN FURBER

The University of Texas
Austin, Texas
November, 1947

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JOHN COMPANY AT WORK

CHAPTER I

INTRODUCTION: BRITISH INDIA 1783-1785

ON A March day in 1785, the Honourable East India Company's ship *Berrington* moved slowly toward Africa through the blue waters of the Indian Ocean many leagues below the Line. In her great cabin, Warren Hastings, late governor-general of the Company's presidency of Fort William in Bengal, sat with his papers spread out before him wondering how best to describe to his countrymen the India he had left behind. Far beneath his feet next to the *Berrington's* keel lay 5,000 bags of Bengal saltpeter weighing nearly 500,000 pounds which helped to keep the ship steady; above the saltpeter, well packed and protected by 90,000 pounds of redwood dunnage, were stowed 209 bales of raw silk, 54 boxes of indigo, 21 bales of cotton yarn, and 105,650 pieces of sundry "calicoes," colloquially known as piece goods. To such piece goods Hastings and everyone else on board owed his way of life. If his fellow-Europeans at home had not desired to purchase these goods, neither Hastings nor the humblest able seaman would have watched the *Berrington* rise and fall against the horizon, but it was many a long year since ships like the *Berrington* had gone to India primarily to load bales of calicoes bought with hard Spanish dollars sent out from Europe. The *Berrington* had carried no silver on her outward voyage months before; she brought to India a miscellaneous assortment of naval stores, 204 bales of woolen cloths, 500 hundred-weight of lead, 162 tons of copper, and 200 fagots of steel, worth all together £27,300, a sum hardly sufficient to buy for a homeward voyage piece goods invoiced at £119,304, to say nothing of the cotton yarn, indigo, redwood, silk, and saltpeter which accompanied them.¹

¹ Home Gen. Comm. Journal 1779/85, *Berrington* invoices, 1784/85, 1785/86.

As Warren Hastings worked among his papers, he perhaps thought of these invoices which Captain John Johnston held in safekeeping. He well knew the key to the mystery of the discrepancy between them. Locked in his *escritoire* were several slips of paper which were far more important than invoices; they informed him that, on and after a certain date, the Court of Directors of the United Company of Merchants of England trading to the East Indies promised to pay to Warren Hastings, Esquire, at their house in Leadenhall Street, stipulated sums of money in pounds sterling, and that, if they could not do so on the appointed day, they would pay him the said sums six months later with interest thereon at the rate of 5 per cent per annum. He had, of course, not secured these little slips of paper for nothing. To acquire them, he had paid into the Company's Treasury at Calcutta money of his own which, for all he knew, might have been used in buying the very fine cloths stowed within a few yards of his cabin door. As the Honourable Company's Court of Directors were men of their word, it meant little to Hastings' pocket whether their net income exceeded their gross expenses or not. They managed a huge corporation which traded to China as well as to India. This corporation could not be allowed to go bankrupt. Too many people were interested in seeing to it that the slips of paper, known as bills of exchange, similar to those which Hastings carried, were promptly paid.

If Hastings, after taking his evening stroll on deck, had chanced to poke about among the bales and boxes below, he would have discovered how well served the Honourable Company's Court of Directors were by their servants. In the choicest position, he would have found the goods Captain Johnston was bringing home on his so-called "privilege" of a stated amount of private trade. Next to them, he would have seen a smaller number of boxes marked with the initials of the ship's officers. Even the carpenter and sailmaker might have had a package or two which really did not belong to them, for they had probably sold their "privilege" to one of

the great commercial firms of Calcutta, Messrs. Bayne & Colvin who wished to lose no opportunity to send home goods bought on behalf of many a civil or military servant of the East India Company.² Further down in the hold, Hastings might have surprised two or three of the crew engaged in petty pilfering among the Company's bales. It would never do for the *Berrington* to arrive in the lower Thames with the Company's goods intact. No clerk at the India House could remember a time after the arrival of a ship when he had not spent hours copying item after item of goods lost or damaged, items which reduced the amount of freight payable by the Company to those august gentlemen, the "managing owners" of East Indiamen, otherwise known as the "shipping interest."

Of the owners of the *Berrington*, Hastings and Captain Johnston had a charitable opinion. They had both been brought up in the Company's service in the days when the "shipping interest" was all powerful within the Court of Directors. Captain Johnston owed his growing fortune to the "interest" which had enabled him to purchase his command. Hastings owed much to the support he had recently received from the ship-owners among the Company's directors and proprietors. As they sipped their port in the Captain's cabin after dinner, both men were conscious that they could no longer depend upon that support to the same extent. More and more politicians at home who knew little or nothing about India were hard at work tinkering with the vast and complex mechanism of the East India Company. As soon as he read young William Pitt's India Act six weeks before, Hastings' growing desire to embark for home had hardened into an irrevocable resolution. With him on board were men whose departure from Bengal had been hastened by the passage of that act which placed ultimate responsibility for the government of British India in a Board of Control of six privy councilors.³ In Captain

² Cf. *infra*, p. 281.

³ 24 George III, c. 25. Two of the privy councilors were to be the Chancellor

Johnston's strongbox were bulges of diamonds stamped with the initials of departing Company servants. In former days, many a bulge marked WH had paid the Company's duty of 5 per cent on the importation of diamonds and precious metals from India.⁴ Diamonds provided the safest, easiest, and least public method of bringing home one's money, but Company servants who were really anxious to conceal the amount of their wealth from the Court of Directors seldom sent it home under the Company's care. They either bought the bills of exchange issued by the Dutch and Danish East India companies or sent their diamonds and goods home on ships flying foreign flags.

When he consulted his maps of Hindustan with the regions under immediate British control—Bengal (together with much of Bihar and Orissa), the "Northern Circars,"⁵ the Carnatic, and Bombay with its small dependencies—so clearly outlined in red, Hastings may have noticed with some annoyance that the Company's surveyor, Major James Rennell, had not thought it worth while to indicate in some distinctive manner the footholds still possessed in India by the Company's European competitors. Mere dots on the coast north of Bombay

of the Exchequer and one other principal secretary of state. The act left commercial patronage and commercial administration to the Company's directors. It vested in the Board all political power and the power to recall any British official from India. All the political dispatches both to and from India were to be laid before the Board. In urgent cases the Board might transmit orders to India without submitting them to the directors. For a discussion of the provisions of the act, see H. Furber, *Henry Dundas, First Viscount Melville* (London, 1931), pp. 29 ff.

⁴H. M. 371, paper entitled "Account of remittances made by Warren Hastings through the Company's Cash since April 1772."

⁵The "Northern Circars" formed a narrow strip of territory along the coast north of Madras which the Company leased from the Nizam of Hyderabad. On contemporary maps these "circars" usually appear as British territory. With regard to the Carnatic, that part of the dominions of the nawab of Arcot known as the Company's "jaghire" (Madras and a large surrounding area) usually appears as British territory, and it was Rennell's custom to outline in red the territory around the Company's factories further south at Cuddalore and Porto Novo. Rennell, also, contrary to more usual practice, tinted with red a large area north of Bombay where, strictly speaking, the Company's authority did not extend beyond the islands of Bombay and Salsette, and the factories south of Bombay at Tellicherry and Anjengo.

were the Portuguese settlements of Daman and Diu, once links in a chain of Portuguese naval bases on the Arabian Sea two centuries before, which had become insignificant roadsteads, the one known for the building of ships and the other for harboring pirates and freebooters. Far larger in area was the Portuguese settlement at Goa two hundred miles south of Bombay where lived the Portuguese governor-general who ruled over the scattered remnants of the empire founded by Albuquerque in 1510. Supported by a small garrison of mercenaries recruited from the Portuguese prisons and the slums of southern Europe, he exercised a feeble authority over several hundred square miles of hinterland inhabited chiefly by Luso-Indians.⁶ Every year, in addition to sundry "country" vessels plying between Asiatic or African ports, he welcomed one or two ships sent out by the Portuguese king in accordance with the royal rights of monopoly in the India trade. Usually he watched these ships sail for the China Seas where his sovereign still possessed a settlement at Macao in China and half the island of Timor, all that had been left to the Portuguese in the spice islands by the nation of seafaring shopkeepers which had driven them from Ceylon and the Malay archipelago in the seventeenth century.

Two hundred and fifty miles south of Goa lay Cochin, still in 1785 the busiest and most prosperous roadstead held in India by these arch-enemies of Portugal who had so easily and so quickly harried and broken the far-flung Portuguese empire a century and a half before. Over Cochin's gates and on her coins, a visitor might have noticed the letter V with the letter O superposed upon one of its arms and the letter C upon the other, the initials of what had once been the greatest European trading corporation in the East, the *Vereenigde Oost-Indische Compagnie*, the Dutch East India Company. Toward the end

⁶ A Luso-Indian is a person of mixed Portuguese and Indian blood. Nearly all Luso-Indians were Christians, having been converted to the Roman Catholic faith by missionaries sent out from Portugal. From Eurasians of this class the European East India companies recruited a large number of their *topasses*, the artillerymen who served the guns in their European-officered armies.

of the sixteenth century the burghers of the Dutch towns interested in the India trade, Amsterdam, Middleburg, Rotterdam, Delft, Hoorn, and Enkhuysen formed local East India companies and united them by an extraordinarily complex set of regulations into one great East India Company which wrested Ceylon and the spice islands from the Portuguese, prevented the English from sharing the fruits of this victory, and hence forced their future competitors to turn their attention to the continent of India. However much they may have wished to devote more of their energies to India, the Dutch were compelled by force of circumstances to regard the "factories" which they established on the mainland merely as marketing points for the products of an empire which had its capital at Batavia in the East Indies. Thus, by the mid-eighteenth century, Cochin and her fellow Dutch settlements in India had little connection with direct trade between India and Europe. They were marts of the "country" trade, as the port-to-port trade of Africa and Asia east of the Cape of Good Hope was colloquially known, and the Dutch company's connection with them was that of a "country" trader. Through them the Dutch company marketed the spices and sugar of the eastern isles and the copper of Japan in India, receiving in return opium, cotton piece goods, saltpeter, and other India goods for the consumption of the Chinese and of the millions of subjects of Malay princes whom the Dutch company controlled.

In Hastings' day, Cochin was the busiest of Dutch Indian ports because it stood at a focal point of several lines of "country" trade and was near the pepper-producing regions on the Malabar coast. No other Dutch settlement in India could compare with it. The Dutch "factory" at Surat where a small trade in piece goods, spices, and copper was kept up had long since lost its glory. On the Coromandel coast south of Madras, Negapatam, which had once rivaled Cochin as a mart of "country" trade, had just been ceded to the British at the close of the American Revolutionary War. Pulicat, north

of Madras, was a tiny post maintained for the collection of a few bales of piece goods peculiar to the region, and at Chinsura, on the Hugli river, a few miles above Calcutta, a handful of Dutchmen collected the Dutch company's Bengal opium, saltpeter, and piece goods for shipment to Batavia.

While looking at this part of the map with its conspicuous blobs of red to mark the growth of British power, Hastings may have reflected on the irony of fate which deprived the Dutch of a flourishing port and yet left the French settlements intact. One of his last acts had been to order the rehoisting of the French flag at all the French possessions in India, Pondichéry, Chandernagore, Yanaon, Karikal, and Mahé, relics then as now of a dream of empire which was never to be fulfilled. True, it had been the intent of the treaty signed at Versailles in 1783 to confine the French to "commercial" activity, but Hastings could not rid himself of the fear that French ambitions would prove troublesome to his successors. How much more comforting it was to think of the activities of the Portuguese who had lost an empire they never hoped to regain, of the Dutch who were satisfied with the island empire they already had, and of the Danes, established at Tranquebar south of Madras, and at Serampore almost opposite Calcutta, who had no thoughts of empire at all, than of the French who might one day possess the power and ability to repeat their exploits of forty years before with more hope of success. Like most men of his day, Hastings had no inkling of those deep-seated weaknesses of the French state in the 1780's which are so familiar to every schoolboy who reads a textbook on the French Revolution. He had begun his Indian career in 1750 when Dupleix was at the very height of his power. He had lived in India through the subsequent years of conflict chronicled by Robert Orme, and he was not disposed to belittle the abilities of Clive's opponents.

Dupleix had, after all, brilliantly used the tools by which British preponderance in India was later built, alliances with Indian princes and mercenary armies of Indian sepoys led

and paid by Europeans. A short-sighted French East India company had dismissed him. Defeat had stalked the footsteps of his successors, ill-supported as they were by the government of Louis XV which was simultaneously losing for France her empire in North America. The French East India company had been abolished in 1769, and the French Crown feebly kept up for the benefit of French private traders the "factories" which the French company, founded under Richelieu in 1642 and strengthened by Colbert in 1664, had gradually established in order to compete with the English. Nevertheless, the most recent Anglo-French war had shown the French far from lacking in vitality. Bussy on land and Suffren at sea had won victories which, for a time, made many a servant of the English East India company fearful of the future. After the peace of 1783, French influence was wider than was apparent from the terms of the treaty. It was true enough that, of all those settlements which Hastings had just restored to His Most Christian Majesty, Pondichéry alone was of any importance. The others were mere outposts for the collecting of relatively small quantities of goods, Chandernagore on the Hugli above Calcutta, Yanaon north of Madras on the Coromandel coast and Karikal near Tanjore primarily for piece goods, and Mahé on the Malabar coast for pepper. Pondichéry itself, a hundred miles south of Madras, with a fairly large Indian population under French control and a considerable amount of "country" trade, was weak and defenseless. These places were not the true measure of French potential strength. That lay in French control of strategically placed islands in the Indian Ocean, Mauritius (Île de France) and Réunion (Bourbon), and in the facility with which professional French military officers could ingratiate themselves with Indian princes at the most powerful native courts of India, those of Tipu, Sultan of Mysore, of the Nizam at Hyderabad in the Deccan, and of the rajas who formed the great Maratha confederacy in central and northern India. Hastings was far more concerned with the intrigues of such men than with the rumors which may

have reached him of the impending formation of a new French East India company at Paris.

Hastings could thus look back over the greater part of the era of conquest and turmoil which had given the British such mastery in India as to make it appear that other European nations existed there merely on sufferance, to be tolerated as long as they proved useful and to be thrust out when they did not. Yet even he was not fully aware of the vast changes which the previous half-century had wrought in his employers' affairs. In 1735, fifty years before Hastings stepped aboard the *Berrington*, the East India Company differed from other trading corporations chartered by the British Crown chiefly in the size and variegated character of its operations. The task of describing the nature and organization of its business to a foreigner would not have been difficult. The Company, capitalized at £3,200,000, was a joint stock corporation with a Court of Proprietors made up of all shareholders, in which owners of more than £500 of stock possessed voting rights, and a Court of Directors, twenty-four in number, elected annually by the voting members of the Court of Proprietors from an eligible list of their fellow proprietors who owned at least £2,000 of stock. In practice, the directors, by issuing lists of candidates favored by the "Direction," kept themselves or their friends in power. The East India Company's directorate thus became a close oligarchy dominated by a small group whose ranks were seldom broken save by death.⁷ The directors elected their chairman and deputy-chairman and parceled out the work of supervising the Company's business among themselves by setting up a group of committees with overlapping personnel and a rigid system of promotion by seniority which tended to foster incompetence.

Originally planned with an eye to facilitating the dispatch

⁷ In 1734 the Court of Proprietors passed a bylaw preventing any director from serving more than four consecutive annual terms, but this arrangement merely expanded the size of the directorial oligarchy slightly. Nearly every director so disqualified was promptly reelected after he had been one year out of office.

of business, this complicated system of committees was kept up in the eighteenth century chiefly because it enabled the chairmen and the nine senior directors to enjoy the most valuable share of the Company's patronage. With the exception of the small committees known as the "secret committee," occasionally appointed to deal with political matters, and the "committee of secresy," set up to ensure the safety of the Company's ships on perilous voyages, each of the several regular committees possessed eleven members each, nine directors plus the two chairmen, who were "of all Committees." Appointment to committees according to seniority placed the nine senior directors on the majority of committees, including the most important committees of Correspondence and of Treasury.⁸

The East India Company of the 1730's differed from other companies engaged in foreign trade not only in the possession of most extensive monopoly rights but in its peculiar connection with the shipping "interest." It was, so to speak, two companies in one because its directors had long since com-

⁸ The number of regular committees in 1709 was eight: Accounts, Buying, Correspondence, Law Suits, Shipping, Treasury, Warehouses, Private Trade. To these four more had been added by 1785: House, Military Fund (Lord Clive's Fund for officers' pensions), Government Troops and Stores, Prevention of Private Trade. In the early eighteenth century the "secret committee" and "committee of secresy" cannot be considered as identical. After 1683 the directors occasionally appointed a "secret committee," usually of three or four members, to deal with political matters of extraordinary importance. In the 1690's they delegated the task of giving secret instructions to the commanders of their ships to a "committee of secresy." Thus, strictly speaking, the two bodies could coexist but, as the powers of the "committee of secresy" to protect shipping from danger were annually renewed and any other "secret committee" was infrequently constituted, the famous "Secret Committee" of the era of conquest and empire-building really grew out of the old "committee of secresy" which began to assume political functions after 1741. As the need for secrecy increased, the personnel of this committee shrank until it sometimes consisted only of the two chairmen. After 1784, it consisted of the two chairmen and one other director, and proof of its origin is afforded by the fact that a new "committee of secresy" for the sole purpose of protecting shipping was then set up as a subcommittee of the Committee of Correspondence. For a discussion of the directors' committees and the secret committee, see C. H. Philips, *The East India Company 1784-1834* (Manchester, 1940), pp. 8-12, 44-46; cf. Peter Auber, *An Analysis of the Constitution of the East India Company* (London, 1826), p. 182.

mitted themselves to the policy of hiring and *not* owning the ships in which their goods were carried. This policy made it inevitable that shipowners or their agents and representatives should be strongly entrenched within the Court of Directors and Court of Proprietors, for East India ships, especially built for East India voyages, could be profitably used for no other purpose. At this period of its existence the Company was truly a body of merchants in which London trading and shipping interests were all-powerful. Foreign investors, especially Dutch investors, owned a substantial amount of stock, but they possessed no appreciable influence in the Company's affairs.

The Company's business, though carried on at trading "factories" scattered along the coast of Asia from the Red Sea to Canton, was not so complicated or extensive that it could not be adequately supervised by the directors, organized in their cumbersome overlapping "committees." The directors kept in touch with their "servants" by sea via the Cape of Good Hope and by land through arrangements for sending dispatches from London to the head of the Persian Gulf via Vienna, Constantinople, Aleppo, and Bagdad. In the early decades of the eighteenth century, the number of the Company's servants overseas was small. They were nearly all merchants, young men with "connections" of some sort in the circle of London shipping and mercantile interests dominant in the Company who were attracted to the East by the opportunities afforded a European for acquiring economic security or substantial fortune through engaging in "country" trade throughout the regions washed by the Indian Ocean and the China Seas. With the exception of the few who became so enamored of the life which awaited them in the East that they never forsook it, nearly all of these men looked forward to a day when they would themselves join the ranks of influential proprietors and directors at home. While abroad, their interests dovetailed with those of the captains and officers of the Company's ships, who were "privileged" to carry on a certain amount of trade

with Europe and who engaged in "country" trading at every possible opportunity.

The Company's servants thus hoped to spend their youth as independent *entrepreneurs* seeking profits wherever they were to be found in the vast area of "country" trading in Asia from East Africa to Canton, and to spend their old age as managers or shareholders of a corporation which justified its monopoly of the trade between Asia and Britain on the ground that it guaranteed its servants and shareholders a greater joint profit than would otherwise have accrued to them as individual traders with Europe. In that era, the Company's servants clearly perceived the vital importance of "country" trade in the development of their connection with the East. European ability to own and command "country" ships manned by lascar crews and to defend them from attack had become an indispensable bulwark of the connection of all European East India companies with the East. Deprived of that bulwark, every East India company, dependent as it was on the willingness of its servants to perform their duties in the East for purely nominal salaries, would have had to reorganize entirely its methods of doing business. The history of European imperialism in Asia could in such an event hardly have taken the course laid open to it by Asiatic weakness at sea.

The English East India Company was therefore served abroad in the 1730's by men whose private interests did not entirely coincide with those of their employers but who had no powerful motives for opposing them so long as the Company's business was carried on in the accustomed manner. The Company was then engaged in buying "India" goods, viz., cotton piece goods, raw silk, pepper, saltpeter, coffee, tea, chinaware, and sundry drugs with the proceeds of cargoes of silver, base metals, and woolens exported from Europe. Its profits arose from the difference between the sale prices of India goods in the London market to which buyers thronged from the whole of Europe and the costs of outward cargoes, freight charges, customs charges, and current expenses. Pro-

ceeds from the sale of bonds provided its working capital.⁹ Its dividends were well maintained at 7 or 8 per cent per annum; its debts at home and abroad were not unduly large; and it was not trading to a great extent upon the "capitals of its servants," that is to say, it was not obligated to pay large amounts to gentlemen who had supplied it with capital in the East.

To the discerning eye some weaknesses in this structure would have been apparent. Obviously, some "factories" were being maintained at a loss but were not abandoned because of the private interests of the servants concerned. Obviously, too, "factories" which needed military protection were more costly and demanded the support of a larger personnel than those which did not. Nevertheless, there was probably not a senior director living in 1735 who felt that the Company's methods of doing business had markedly changed, except in the gradual adoption of a policy of chartering rather than owning ships, since the mid-seventeenth century. In Cromwell's day the successors of the little group of London merchants who founded the East India Company under Queen Elizabeth's charter of December 31, 1600, had finally abandoned the policy of financing either jointly or severally sporadic "separate" voyages or groups of voyages supported by *terminable* joint-stocks, and had organized themselves as a *permanent* joint-stock. From that time forward, there was but slight difference between their methods of doing business and those of *their* successors eighty years later, no matter what the difference in the amount of business done. What occurred in the interval was a series of struggles between the merchants who controlled the Company and merchant "interlopers" operating either singly or in groups who violated the Company's monopoly of the East India trade. These struggles which gave such men as Sir Josia Child, the most influential

⁹ The capital represented by the shares of stock, £3,200,000, had been lent to the state in return for the renewal by the state of the Company's exclusive right to trade to the East Indies.

director in the Company, Job Charnock, the founder of Calcutta, and Thomas Pitt, the king of "interlopers," their opportunities for fame or fortune, were particularly bitter because of the immense profits made by the Company in the last quarter of the seventeenth century. While these struggles ran their course, the Company ceased to be wholly a suppliant at the Mogul's gates and took the first real steps toward empire by exercising military power and acquiring complete control over small bits of territory adjacent to some of its "factories." Since the Company's directors had assiduously sought to be in the good graces of the restored Stuarts, it was quite natural that the "interlopers" should link their fortunes to the Whig and parliamentary cause and that a group of them should ultimately force the Parliament of William III to set them up as a second or "new" East India joint-stock company in 1698.

The East India Company of the eighteenth century, officially "The United Company of Merchants of England trading to the East Indies," was therefore the heir of this "new" company and the "old" or "London" company which was so staunchly determined not to die without a fight that it compelled its enemies to come to terms with it. Confusion in India consequent upon the dispatch of two rival sets of servants by the two companies, confusion at home because the "old" company had bought stock in the "new," diminishing profits, and governmental pressure forced nearly all the groups of merchants concerned to agree to pool their interests in a new "united" company as early as 1702. With their acceptance of the famous arbitral award of the Earl of Godolphin, the "united" East India Company came into existence in 1708 almost at the very moment when the death of the Mogul emperor Aurangzeb opened a new era in India's history.

During the previous century, English merchants in India had never been confronted with a formidable breakdown of local authority in the regions from which they drew their cargoes, for the authority of the Ottoman, Persian, Mogul,

and Chinese empires still commanded European respect. It was the decay of Mogul authority in India which forced the Company to consider exerting greater control over the lands which produced its staple import, cotton piece goods. That such decay occurred in the early decades of the eighteenth century, the very time when the French emerged as serious rivals of the English and the Dutch, is no doubt accidental. Whether European powers, bitter rivals for the piece-goods trade of southern India, would have battered their way into a strong and powerful Mogul empire or not is of no consequence. What is of consequence is that there ensued a race for political power and material wealth on the part of all the European East India companies and of all their servants. Within twenty years, the English East India Company, busy with the task of putting up and setting down princes of huge provinces either directly or indirectly, had all but forgotten those simple days when its only aim had been to exercise wider control over the villagers who wove its cloths. What really happened between the years 1740 and 1760 was that European initiative, enterprise, and greed, armed with all-powerful European weapons, and assisted by Indian disunity and treachery, tore rapidly into the already rotting fabric of the Mogul Empire at its weakest points in southeastern India and in Bengal.

During these epic struggles of England and France in the mid-eighteenth century, the nature of the English East India Company's business was entirely transformed. On the one hand, Clive's success in making the Company a revenue-collector in Bengal opened wide vistas of profit to the directors who saw themselves relieved of the necessity of exporting silver to India. On the other, the process of empire-building required large increases in personnel, which in turn multiplied the number of the Company's creditors and brought it into closer relations with the state. The nature of these changes was not well understood at the time, and the dangers lurking within them were largely concealed from public notice by the

rapid development of the Company's trade with China after 1750. Had that development not occurred, Hastings and many others would have seen more clearly how little the Company resembled its former self of the 1730's. Actually there was little realization that any gains that might arise from the Company's assuming the role of revenue-collector bade fair to be offset by the multiplication in the number of Company employees who had no interest in increasing the Company's profits at the expense of their own.

The process of military conquest created an entirely new caste within the Company, a group of men who, whether their names appeared on the lists of "civil" or "military" servants, had no immediate interest in the Company's commercial balance-sheets at its Indian "factories." As soon as the ambitions of these men were given free rein, the Company's books both at home and in India began to wear a different complexion. At every Indian presidency, a larger number of Company's obligations of all types began to be sold, for the Company must pay not only for goods as in the past but for administrative and military services as well. At home, the directors, needing an ever larger reserve of cash on hand to meet obligations originally contracted in India, were forced to market more of their sterling bonds and appeal to the state for assistance. The state, unable to return the funds which the Company had lent it in more prosperous times, was forced to authorize and guarantee the borrowing of more money on behalf of the Company. Once these developments were well under way, a keen auditor would have been quick to observe that the only set of the Company's books which closely resembled those of the 1730's was the journals and ledgers which recorded the steadily increasing business of the Company's "factory" at Canton in China.

By methods such as these the Company weathered the storms which beset it during the last decade of Clive's career—years fresh in Hastings' recollection—when the Company emerged from what many frankly called bankruptcy to meet

its first stringent control by the state in Lord North's Regulating Act of 1773. Under that act, Hastings, already governor in Bengal, became "governor-general" with ill-defined supervisory powers over the Company's other governors in Madras and Bombay, and was for a time delivered into the hands of his enemies, Clavering, Monson, and Francis, by the provision that the governor-general could only act with the concurrence of a majority of his council of four.

Clearer in Hastings' mind as he walked the decks of the *Berrington* were the more recent days before the spread of the American Revolutionary War to the Indian seas in 1779. In his private capacity, Hastings had then been but one European among many, anxious to further his own personal concerns. In those days, it was even more true than in 1785 that nationality stopped east of the Cape. Exile drew Englishmen, Frenchmen, Dutchmen, Danes, and Portuguese together in their common desire for individual gain. In such small European communities as then existed in India, one's circle of friends was indeed catholic and untrammelled by national lines, especially for the Englishman who already dominated the political scene. Hastings thought often of his friend, Johannes Matthias Ross, the Dutch East India Company's Chief at Chinsura. They had engaged in many a commercial speculation together, involving purchases by Hastings of the Dutch company's bills of exchange.¹⁰

Into such a happy atmosphere of friendship among Europeans in India, the extension of the American Revolutionary War to the East inevitably brought discord. Old relationships were broken as commercial ties snapped, but there were compensations for all, whether belligerents or neutrals. For the British the war provided new ways of making money at the expense of their own East India Company. For the French and Dutch, the war lessened political power and prestige, but still left opportunities for profit in coöperation with the British. For the neutral Danes, "Ostenders," and Portuguese, war

¹⁰ Cf. *infra*, p. 79.

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¹⁰ Cf. *infra*, p. 79.

always meant increased business from the carrying of cargoes of goods on British, French, or Dutch account.

The *Berrington* sailed away from an India which was gradually readjusting itself to conditions of peace. Not many months before, an agent of the Imperial East India Company of Trieste watched the guns of Tipu Sultan's retreating artillery, each drawn by forty or fifty panting bullocks assisted by an elephant pushing behind, slowly climb the dusty ghats near Mangalore, and heard the hills reëcho with the crash when an elephant missed its footing and carried nine men to death in the abyss below.¹¹ Tipu, who felt betrayed by his French allies' desertion of him after the news of peace in Europe, was retiring to Seringapatam determined to thwart by all possible means the commercial activity on which the English thrive. His embargo on the trade to and from his dominions was the only obstacle confronting Europeans who wished to increase their share of the "country" trade of India after the war. It was not a serious one. With the coming of peace, every branch of the "country" trade revived and the British share of it increased. Not only were Danish, Portuguese, and Imperial flags hauled down on ships that were really British but the number of *bona fide* French and Dutch "country" ships declined. European soldiers stayed in India to take part in "country" trade, and increasing numbers of "free mariners" came out from England for the same purpose.

When peace came to India in 1784, European commercial activity was not at the same stage of development at every European settlement on the Indian peninsula. That activity may be said to have been based on the "country" trade of India as overlaid in varying ways by the political activities of the English East India Company. The "country" trade then had, as always, its three great divisions, the Indian coastal trade, the trade between Indian ports and Asiatic and African

¹¹ B. M., Add. MSS 32,165, f. 49, "Journal of a mission to India and China by an agent of the Austrian Government in connexion with the company trading in the East, 1782-85."

ports west of Cape Cormorin, and the trade between Indian ports and ports east of Cape Cormorin in Burma, Malaya, and China. From the first coming of Europeans to India, the "country" trade had been the chief concern of the servants of the European East India companies, and the principal source of their wealth. In 1784, this was to a large extent still true at the European settlements on the western coast of India. At Surat, Bombay, Tellicherry, and Anjengo, where the English company's servants were still closing its books annually in the manner of the seventeenth century by calling upon God Almighty to "increase and prosper" the Company's stock,¹² many a servant still kept his dual capacity of private "country" merchant and Company servant and sold in one capacity the pepper which he bought in the other. Moreover, in both Bombay and Surat, there were wealthy Parsi and Moslem merchants who competed with Europeans in the trade to the Persian and Arabian gulfs. The political activities of the East India Company complicated this picture hardly at all until the American Revolutionary War, when, in order to meet its military expenses, the Company's Bombay government borrowed more and more heavily from the Company's own servants, and hence opened to them ways of making profits which had little to do with the "country" trade of the presidency.

On the other side of India, European participation in "country" trade had long been complicated by the East India Company's political activities. At Madras, the Company's servants had early discovered how to turn the military necessities of Indian princes to their own advantage. Usurious interest was an established feature of Indian economic life. Nothing was simpler than to provide European military equipment at prices which Indian rulers could not pay, thereby establishing debts which were seldom, if ever, liquidated. It was equally simple to engage with one hand in the popular pastime of overcharging the East India Company for supplies

¹² Bombay General Journal, 1790/91, final item.

purchased on its behalf, and with the other hand in the lucrative practice of lending the Company the money made out of the secret commissions on such transactions. If a thousand bullocks were needed to draw some of the Company's artillery, one of the Company's military officers might hire the bullocks of an Indian bullock-contractor and send his Indian servant the same evening to collect from the bullock-contractor a commission previously agreed upon between them. This commission was then available for investment. The Company's military officer concerned could invest it in the Company's Indian rupee bonds which usually carried high interest rates, or in the Company's bills of exchange payable in London if any were available. Sums acquired in this or similar ways could also be left with the so-called "agency houses" for investment in "country" trade.

In Bengal, the European agency houses, shortly to be supplemented by European banks, were an essential prop of the East India Company's governmental structure in which political and economic activities were inextricably mingled. As *de facto* political sovereign of the provinces of Bengal, Bihar, and Orissa, the Company collected a revenue, which was supposed to cover the expenses of government and leave a surplus available for investment in India goods for shipment to London. In actual fact, the Company's military and political expenditures, coupled with practices of its servants similar to those going on in Madras, had created a load of debt under which the Company struggled to make both ends meet. Without the facilities provided by its own servants either individually or through the agency houses, the Bengal government could not have carried on from one day to the next in its double capacity of sovereign and merchant. In particular, it could not have made remittances to its subordinate governments in Bombay and Madras where the Company's income was insignificant in comparison to its regular day-to-day expenditure either in war or peace. These remittances could only be made with the assistance of the "country" trader. If the Bengal govern-

ment wished to send a large sum to Madras and could not send specie, as it very seldom could, it then often bought thousands of bags of rice from a European rice-contractor who shipped the rice to Madras in a fleet of "country" ships. When one reflects that the rice-contractor might be an intimate friend of a member of the Company's Bengal Board of Trade, it is easy to imagine the intricate web of "interests" created within the Bengal European community by such transactions as these. The "country" trader was more inextricably bound up with the economic life in Bengal than elsewhere because in Bengal alone had Europeans developed important enterprises far in the interior of the country. The mainstay of Bengal's "country" trade was the opium trade with the Malay archipelago, a trade carried on in 1784 by a small group of Europeans, some in the Company's service and some outside it, who wished to make large profits out of collusive contracts within the framework of the Company's so-called monopoly of opium.

In the number, wealth, and varying occupations of its inhabitants, each European community in India reflected the nature and extent of the commercial and political activity centered in it. At Bombay, the Company's military and civil establishments were smallest, totaling only 120 and 300 respectively in the higher ranks of the service. If to these are added the small number of European privates in the army and smaller number of European sailors in the Company's Bombay Marine, the total number of Europeans serving the Company in the Bombay Presidency can hardly have exceeded 2,500. Nearly all of these people lived in Bombay together with a dozen European officers of "country" ships, four or five "country" merchants, six attorneys and notaries, two tavern-keepers, two bakers, one hatter, one lace maker, and one cabinet-maker.¹³

¹³ C. Greville, *British India Analyzed* (London, 1793-1795), pp. 784 ff. This figure is based on the normal "peace" establishment for Bombay in the 1780's. See Bombay lists in *European Inhabitants* 5.

In contrast to this simple picture, Madras already in 1784 presented nearly all the elements usually found in an English community of comparable size. In order to serve the larger numbers in the Company's military and civil establishments nearly all the smaller trades were represented: bakers, jewelers, teachers, dancing-master, portrait-painter, small shop-keeper, clock-maker, to name a representative group. As in Bombay, the leading citizens of Madras, apart from the immediate entourage of the Company's governor, were the half-dozen heads of agency houses. In their hands was the lion's share of the "private concerns" of 160 civil servants of the Company and possibly 800 military servants of both Company and Crown, for the war had brought King's officers to India. In 1784 there must have been about 1,000 Europeans of consequence in the Madras Presidency, and in addition to them about 4,000 European troops had to be clothed and fed.¹⁴ The Company's troops were universally known as the scum of Europe. As the King's troops were not much better, neither group had sufficient opportunities for gain to make its activities an important factor in the life of the community.

For Bengal in 1784, sufficient information is not available to give us a complete picture of every element in that exotic, cosmopolitan European society described in all its wealth and color by William Hickey in his memoirs. From the lists of European inhabitants sent home to the Company's Court of Directors in 1793/94, we are safe in concluding that 300 individuals, not in the Company's service, most of whom had drifted to India in one devious way or another, were living in Calcutta in 1784. In all probability at least a quarter of them were foreigners, Portuguese, Italians, and Germans for the most part, with a fair sprinkling of nearly every other European stock. Engaged in every occupation in the social scale from "country" merchant to tavern-keeper, they served in their various capacities the families of 300 civil servants and

¹⁴ European Inhabitants 4, lists for Madras, 1780's; Madras Pub. Con. for the year 1787, *passim*; also C. Greville, *op. cit.*, p. 790.

1,300 military officers on the Bengal establishment.¹⁵ The European male population of Bengal, excluding the 5,000 European private soldiers, may be reckoned as not over 2,000, of whom at least 1,000 were continuously in Calcutta. Although the practice of bringing out wives and children was steadily increasing, the number of European women, including young girls shipped out to the Calcutta marriage market by fortune-hunting parents, probably did not exceed a few hundred in 1784.

When Hastings left India, he relinquished authority over not more than 5,000 European men and women whose position in India was protected in the last resort by approximately 20,000 European private soldiers.¹⁶ In the dominions of Indian princes and in the tiny settlements ruled by other European powers lived possibly 2,000 other Europeans whose prospects of fame or fortune were coming more and more to depend on their dealings with their fellow Europeans in the British settlements. As Hastings well knew, all these European communities were an insignificant fringe on the vast, complex, and variegated pattern of Indian social and economic life. Behind the European and around him millions of Indians performed their daily tasks in the sphere of life in which their birth had placed them. For every piece of cloth made up for shipment to Europe, hundreds of pieces had to be woven for domestic consumption. For every business transaction with an East India Company servant, hundreds had to be carried on wholly within the circle of the Indian community. Though the European might be supreme in politics and war, though all might salaam and call him master, there were spheres of life in which he was not master. In the making of a fortune or even of a bare living, he had to pit his wits against Indians

¹⁵ List in European Inhabitants 1; also India Office Library, printed *List of the Honourable and United Company's Civil and Military Servants on the Bengal Establishment*, dated Aug. 1785.

¹⁶ The normal "peace" establishment of European privates, including King's troops, for all three Presidencies was a few thousands less than this at this period, but a normal "peace" establishment was seldom maintained after 1780.

who were often as wary, clever, and resourceful as he. In every great Indian community lived Indians of wealth and distinction who possessed power which even the East India Company could not ignore. Many a Company chief at Surat for example had gone to wealthy Indian merchants begging for loans to enable the Bombay government to meet its bills. Many an imprudent Company servant was in the clutches of his Indian creditors.

India was not one nation, but a continent at various stages of economic and social development. Mohammedan rule, even at its best, had never unified the country. The story of European penetration of India is the story of the growth of European communities whose relationships with each other gradually drew together large areas which had for centuries lived apart, each with its own currency and domestic economy.

In 1784, European enterprise was beginning the work of increasing the number of commercial transactions between the three great regions of India which hitherto had had but imperfect means of dealing with one another. At this period, every European merchant in India strove to make a fortune in a scene which was to him one of economic chaos rather than economic order. Doing business in India in 1784 was an entirely different matter from doing business in Europe. All over India, silver was the chief measure of value, and the silver rupee the most used Indian coin, but the kinds of rupee were legion. Many traders engaged in the practice of debasing coin and all rulers issued rupees of differing weights and fineness. Throughout western India from Sind to Travancore, nearly all business was done in terms of a Bombay rupee of which the sterling equivalent in the 1780's was two shillings and three pence. In Bengal the dominant coin was the *sicca* rupee worth slightly more than a Bombay rupee but Europeans had long found it convenient to keep their books in terms of an imaginary coin, the *current* rupee. This current rupee, of which the sterling equivalent was about two shillings, was defined as 16 per cent below the standard of the *sicca* rupee.

Madras was the land of the Arcot rupee, but so many other rupees were current in South India that nearly all European business was done in terms of a gold coin, the "star" pagoda valued at about eight shillings.¹⁷

Established in the midst of the commercial life of one of these three great regions of India, many a European found the making of a fortune far less easy than he had been led to expect. For the many that were called, few were chosen. All had to face the prospect of untimely death. Of 508 men who left England to join the Bengal civil service between 1762 and 1783, 150 had died in Bengal by 1784, and 321 were still there. Only 37 returned and not all had made fortunes. Of 1,200 Bengal military officers, only five returned with fortunes of over £20,000 each, many accumulated less than £10,000, and at least 30 were dependent on pensions from Lord Clive's fund. Of 150 Bombay civil servants who went out in the same twenty-year period, 37 were dead in 1784, 93 remained, and 20 had returned. Of those 20 who returned, only nine had fortunes, six were invalids, two were bankrupt, and three had to go back to try their luck again. Eighteen of those who died in Bombay were insolvent, twelve barely solvent, and seven moderately well off. Their colleagues in the Company's Bombay Army fared no better. Of 733 officers, 251 died of disease, 61 were killed, fatally wounded, or missing, and 322 remained in India. Only two of the 99 who returned to England had large fortunes, and only five or six had moderate fortunes. Of the dead, only six left fortunes of five or ten thousand pounds.¹⁸ There is no reason to suppose that the vicissitudes of Anglo-Indian life did not play equal havoc among the non-official members of the European community. British politicians, anxious to reform the East India Company, might

¹⁷ The intrinsic values of the *sicca* rupee, Bombay rupee, and "star" pagoda, in terms of sterling were: 1 *sicca* R = 24.5659 pence; 1 Bombay R = 24.4745 pence; 1 pagoda = 84.5304 pence. Samples of these three coins were regularly sent to London for assay. See H. M. 371, Herbert Harris to Wm. Bruère, May 11, 1786, and also table of Indian coins and measures in Appendix C.

¹⁸ H. M. 79, Statistics *re* Company's servants in India 1762-1784.

think they had only to eliminate corruption in the collection of Indian revenues and in the purchase of Indian goods in order that the wealth of the "nabob" should really benefit the British nation. In sober truth, however, India was not the El Dorado which they believed it to be.

Hastings and others who knew the conditions confronting the 5,000 Europeans in India were deeply frightened at the prospect of radical reform. A radical reform which dried up the sources by which the Company's servants at the three presidencies made profits would make it impossible for the Company's governments to carry on. It would throw the whole delicate machinery out of gear. Although both Hastings and his opponents believed possessions in India were an increasingly valuable asset to Britain, Hastings, as he walked the deck of the *Berrington*, was far more conscious than they of the dangers to be expected from an ever heavier load of Indian debt. He and every other European in India depended, in the last analysis, on the safety of remittances to Europe. Though many Europeans in India may not have realized it, making a fortune in India and transmitting it to Europe were entirely different things. A military officer in Madras who made a fortune in bullock-contracts during the war and paid the money into the Company's treasury did not take the money to Europe. He took the Company's bills of exchange. If he wished to conceal his wealth, he bought bills of exchange of the French, Dutch, or Danish East India companies, or he invested, usually on respondentia bond, in any one of the private "adventures" to Lisbon, Ostend, or Copenhagen. In a respondentia venture, he might lose all, for the managers of such ventures refused to make good a wrecked cargo and promised to pay only after sale of a cargo in Europe. Unless he bought diamonds, payment of his fortune in Europe depended directly or indirectly on the sale of India goods. In so far as the English or other European East India companies were concerned, payment of such a fortune came out of the resources those companies then had available in Europe. More

often than not, much of the money on which a Madras military officer took his ease in the Scottish Highlands was money borrowed in London, Paris, or Amsterdam. He owed his fortune not directly to India, but to the continued confidence, not only of his fellow Britons, but of his fellow-Europeans, in future profits to be derived from the European connection with India. This confidence he sedulously fostered, especially among his own countrymen, and indeed he often shared it himself. The more firmly Englishmen believed that an ever broader stream of wealth was pouring into England from India, the more secure his fortune would be, and the more opportunity he would have to set impecunious relatives upon the same path. The East India Company's credit had to be maintained at all costs. Impaired confidence in the Company's ability to pay its debts meant ruin not only for the Europeans in India and the Indians closely associated with them, but also for a large number of Europeans in Europe.

In London and Amsterdam, and to a lesser extent in Paris, Copenhagen, and Lisbon, many members of the financial community were deeply concerned directly or indirectly in the affairs of the English East India Company. At least one-fifth of the Company's nominal capital of £3,200,000 was in Dutch hands, and £100,000 more of it was owned by investors living in the Flemish, Swiss, German, Italian, and Polish commercial cities.¹⁹ The English East India Company was an international corporation not only in this respect, but in many others. In Amsterdam, Lisbon, Paris, Ostend, and Copenhagen lived bankers and merchants whose affairs would be greatly affected by any radical reforms in the English company designed to prevent British subjects from sending remittances through foreign channels. In close association with them were members of London banking and commercial houses, some of whom were actually directors of the English East India Company. Charles James Fox's India bills with their threat of drastic governmental regulation of the Company were a direct attack

¹⁹ B. E. R. O., data in E. I. Stock Ledgers.

on this vast congeries of interlocking "interests." Under that attack the whole complex edifice tottered. India stock dropped from 140 to 120 on the Exchange. The "interests" most deeply affected called to their aid "interests" less deeply affected. The King's interference sealed the doom of Fox's bill in the Lords and gave Pitt time to consolidate his power with the aid of many of the India "interests." So widespread were the ramifications of India affairs that it is not astonishing that Pitt's policy was one of compromise. With the aid of bankers and merchants who stood to gain by it, Pitt strove for moderate reform coupled with the diversion of Anglo-Indian remittances from foreign into purely British channels. This policy had the merit of satisfying large numbers of the people concerned. It virtually guaranteed the Company's regular dividend. It restored confidence in the Company's credit.

After the removal of the clause in Pitt's bill requiring an inquest into the private fortunes of the returning Anglo-Indian, nearly everyone was satisfied. The foreign investors were certain of their return. The ex-bullock contractors and their like were certain that their bills of exchange on London would be paid. The British and foreign agents concerned with remittances from India through foreign channels were sure that if the whole Anglo-Indian edifice did not crumble, no law of the British Parliament could completely destroy their profits. The chief malcontents were the old guard of the shipping "interests" and the clique of notorious "nabobs" who knew they were beaten. Under the new dispensation, the lesser men among the Anglo-Indians were to come into their own. No longer would it be possible for a Hastings or a Barwell to build a princely fortune. Fixed salaries, supervision by governors not closely identified with the Company's service, and other reforms in patronage would reduce the number of large fortunes, but India would still offer attractive opportunities to every enterprising European.

When Hastings stepped ashore from the *Berrington* in June 1785, those who benefited by an expansion of European activity

in India were readier than ever to strengthen the power he had done so much to give them. Great opportunities were open to his own countrymen who were now less hampered by foreign competition and were better able to turn to British advantage the business still carried on by foreigners. In both theaters of operations, in Europe and in India, the stage was set for their onward march. In Europe, London was drawing more and more East India business to itself. In India, no Frenchman, Dutchman, Dane, or Portuguese could do any substantial business which was not in some way influenced by the British. It was on this stage that the Europeans with whom we are here chiefly concerned played their part. Because the operations of the English East India Company may be better understood after comparison with those of its foreign competitors, we shall first consider the activities of these Europeans as they are revealed by the servants of the French, Dutch, and Danish companies. No other body of men affords us more convincing evidence that the time had arrived when Europeans at home or overseas who had a stake in the maintenance of European power anywhere on the Indian continent were one and all forced to take part in the work of building a *British* empire in India.

CHAPTER II

ANGLO-FRENCH RIVALRY IN INDIA

IN THEIR RELATIONS with their traditional enemies the French, Englishmen interested in the East India trade best revealed their ever-increasing superiority and power over their European rivals in India. Indeed, the French businessmen who combined in 1785 to form the so-called "new" French East India Company of Calonne were deeply conscious that their own financial returns depended upon close coöperation with the English company and its servants both at home and abroad. These Frenchmen who had as individuals taken part in private trading ventures to India ever since the dissolution of the old French company in 1769 were as fully aware of the actual situation in India as was Warren Hastings himself.¹ Their government, on the other hand, followed an entirely different course. The statesmen of the last years of the *ancien régime* thought of India solely in terms of "power politics" and their every move was made in preparation for a "next war" in which French arms would be gloriously victorious. The divergent policies pursued in India by the French East India Company and the French government afford one of the most illuminating examples of that fundamental cleavage between the bourgeoisie and the upper classes which played so large a part in bringing on the Revolution of 1789.²

The ink was hardly dry on the peace treaties of 1783 when the French East India merchants who had the incorporation of a new company in mind bethought themselves of making an agreement with the English company which would facili-

¹ A. N., T. 38, J. Bourdieu to French E. I. Co., Mar. 8, 1786.

² Cf. especially A. N., Guerre, A¹ 3738, Castries to Ségur, Oct. 5, 1783, and A. N., AJ¹ 234, French E. I. Co. to Bengal agents, Mar. 25, 1789. This letter warned the agents not to pay the Company's funds into the King's treasury in the event of war.

tate the collection of the French "investment" of India goods in Bengal and Madras. Behind the negotiations for this agreement, which ultimately came to nothing because Vergennes would have none of it, lay a web of devious intrigue in Paris and London, a web worth unraveling for it enables us better to understand the connections between directors of the French company and London business houses.

Even in the days of the old French East India Company, the London house of Bourdieu & Chollet collected over fourteen million *livres* in bills of exchange for the French company. In the era of private trade before and during the American War, they furnished English bills of exchange on India to MM. Bernier and Périer who later became directors in the new French company. It is not clear whether the idea of a deal between the two companies originated with these French bankers in London or not, but, in any event, while MM. Bernier, Périer, and their associates were busy in the autumn of 1783, paving the way for their new India company with the assistance of the minister, Castries, and the Paris banking house of Girardot, Haller & Co., James Bourdieu was approaching the Fox-North ministry and the East India directors in London. In the spring of 1784, after Pitt's accession to power, Bourdieu visited Paris at the express request of Calonne, who then gave his approval to the negotiations. By December, a detailed plan for the sale of India goods by the English company to the French at Calcutta and Madras in return for bills of exchange payable in London had taken shape.³

At no period in its early stages did this negotiation receive much encouragement from the English company whose Court of Directors looked upon propositions from the emissaries of a purely imaginary company with great skepticism. Two of

³ A. N., T. 38, J. Bourdieu to French E. I. Co., Mar. 8, 1786. "Exposé des services que M. Jacques Bourdieu et sa maison de Londres ont rendues avant et durant la négociation du traité entre les deux Compagnies des Indes de France et d'Angleterre." See also P. R. O., Chatham MSS 360, memoranda on French E. I. business, 1785; Cleveland Public Library, E. I. MSS bought of Karl Zamboni, no. 60, Calonne to Bourdieu, Apr. 26, 1784.

the directors went so far as to tell Calonne privately in October 1784 that, though they would listen to any French proposals, England would *never* agree to such a bargain. When matters came to a head in the summer of 1785, the atmosphere at the India House was less frigid because Bourdieu, once the French company had really been formed in April, set about converting Henry Dundas, head of Pitt's new India Board of Control, to the advantages of the plan.⁴ Nevertheless M. Périer, who came to London in August to conclude a definitive agreement, met with considerable difficulty. Even though he paid William Devaynes, Chairman of the Court of Directors, £1,500 as a *douceur*, his demands for an annual allotment of six India cargoes a year for seven years were considerably whittled down during four months of bargaining.⁵ Any agreement with the French met bitter opposition from the friends of Hastings among the English directors. In a letter to Laurence Sulivan, leader of the old Hastings faction in the Court, Hastings inveighed against it chiefly on the ground that it would be a source of ever-increasing friction between the French and the governor-general in India.

In its final form which won a majority in the English company's Court of Directors largely because of the support of Pitt and Dundas, the agreement envisaged a three-year contract for the provision each year of goods worth forty lakhs of rupees including 30,000 pounds of Bengal silk and 400 tons of saltpeter. As a token of its good faith, the French company was to furnish a guarantee fund of £200,000, exclude French private traders from Bengal, and limit its own annual expeditions to 2,000 tons of shipping carrying out

⁴ P. R. O., Chatham MSS, *passim*, especially "Proposals" for negotiation between the two E. I. companies, referring to a letter from Bourdieu to Dundas dated Lime Street, July 21, 1785.

⁵ This *douceur* appears never to have been repaid. See A. N., AJ⁷, "Délibérations de la Compagnie des Indes," Apr. 11, Apr. 28, May 15, 1786. Also A. N., T. 38², J. Bourdieu to B. Huber, Apr. 23, 1790. "Périer made a present of £1,500, through Mr. Chollet to one of our Directors, who had been very serviceable in the business." Bourdieu adds that when repayment was asked in May 1786, Calonne threatened to employ the French ambassador in London to collect it.

only £40,000 in European goods. Bourdieu's firm were of course interested in the business which would arise out of the financing of the guarantee fund and the payment in London of the bills of exchange drawn by the French company in Bengal. So anxious were they on these points that they succeeded in getting themselves named as the London agents of the French company in the drafts of agreement which were drawn up.⁶

While they were busily completing the agreement in London during November and December 1785, neither Bourdieu nor Périer was sufficiently warned of the storms then brewing on the other side of the Channel. For reasons which will appear more clearly when their policy is studied in detail, certain French ministers inspired by Vergennes were looking upon this most unorthodox and unheard-of semi-diplomatic negotiation between a French and an English merchant company with great suspicion. M. Périer returned to Paris during the Christmas season to learn that Calonne had already refused to sanction the text of the agreement. During January and February the struggle went on. Calonne, who was apparently reluctant to throw over the project entirely, attempted more than once to persuade Vergennes to change his mind.⁷ All such efforts were in vain. The foreign minister and those close to him thought it humiliating for France to go hat in hand to beg favors of the English East India Company, yet they were shrewd enough to see that, whatever happened, the French company must deal with the English company's servants in India. In a *mémoire* which may have expressed the views of Vergennes, private bargains with Englishmen were recommended as preferable to a public agreement with the English company:

⁶ Accounts of the consideration of this subject by the English company's Court of Directors are in French-in-India, 17, and in B. M., Add. MSS 34,466. The negotiations are partially described, from French sources, in F. L. Nussbaum, "The Formation of the New East India Company of Calonne," *American Historical Review*, XXXVIII (1933), 475-498.

⁷ A. N., AJ¹ 7, "Délibérations," Dec. 20, 1785; Jan. 4, 1786.

The [English] servants are in Bengal the natural enemies of the wishes and authority of the Company. These two bodies are always opposed to each other both in their aims and in their methods . . . This treaty is a consequence of the system which the English Company have adopted for disturbing the private trade of their servants.⁸

In this, there was a great deal of truth, for, whether the author of this *mémoire* knew it or not, Sir Francis Baring fought for the agreement with the French against Hastings' friends precisely on the ground that it would prevent the French company from trading "on the capitals of our servants."⁹

The growing opposition to the English agreement in government circles gave the enemies of MM. Périer and Bernier among the French East India directors an opportunity to gain control of the French company. The writer of the *mémoire* above quoted had boldly alleged that the naming of Bourdieu, Chollet & Bourdieu as guarantors in the treaty was a plot laid by Bourdieu and Périer to prevent the French company from naming another London agent and incidentally to secure for themselves the profits of the London business. In other words, a faction among the French directors led by one Bérard wished to oust Bourdieu's firm from the London agency in favor of their own friends, the Scottish firm of Charles Herries & Co. On their side, Bourdieu and his friends ascribed Bérard's enmity to Bourdieu's refusal to accommodate him with bills of exchange on India during the American War. Whatever be the truth of the matter, there is no doubt that the French directors' meetings were the theater of a bitter struggle among the nine Paris directors for the incidental profits arising from business relations with London financial houses. Bérard pressed to the utmost the advantage which Périer's unwise naming of Bourdieu's firm in the proposed agreement gave him. Bourdieu, in a desperate attempt to save what he could out

⁸ A. A. E., Méms. et Docs., Asie 5, f. 234. There is much in this document to suggest that, if not written by Vergennes, it very probably expressed his views.

⁹ French-in-India, 17, Francis Baring's "observations" on Hastings' letter to Sullivan.

of the wreck, came to Paris early in March 1786.¹⁰ On March 17, the nine directors at Paris voted five to four to retain Bourdieu, Chollet & Bourdieu as the French company's agents in London.¹¹ On the next day, Calonne sent the official letter giving the *coup de grâce* to the agreement with the English company. He then referred to the plan as "irreconcilable with our interests in Asia." Moreover, he thought it would render French trade "precarious, limited and subjected to the wishes of the English company." On the twenty-fourth of March, this letter was read at a meeting of the French directors. Its tone was so violent that even Bérard favored a last appeal to Calonne to moderate it, but Calonne was adamant.¹² On the twenty-ninth, the directors voted *not* to accept Bourdieu, Chollet & Bourdieu, as their sole London agents.¹³ M. Bérard had won. Not only had he won his own personal objective, but he and Vergennes though actuated by different motives had frustrated a promising attempt to form what we should today call an international cartel.

Although this international cartel between the East India companies of states which regarded each other as potential enemies was not created, the struggles over it show clearly the real issues facing the French and English merchants interested

¹⁰ A. N., AJ¹ 223, French E. I. Co. to J. Bourdieu, Mar. 6, 1786; T 38, Bourdieu's reply, Mar. 8. According to H. Weber, *La compagnie française des Indes* (Paris, 1904), p. 636, only eight of the company's twelve directors sat in Paris as the managing board of the company, the other four forming the so-called *Comité de Lorient*, whose chief concern was with sales and shipping. The documents in A. N., T 38, however, imply a struggle between nine in Paris. The letters of the French East India Company here quoted always refer to those sent out from Paris.

¹¹ A. N., T 38², J. Bourdieu to B. Huber, Aug. 13, 1790. The votes stood: Montessuy, Gougenot, Gourlade, Périer, and Bernier vs. Bérard, Bézard, de Mars, and Sabatier.

¹² French-in-India, 17, Calonne to French E. I. Co., Mar. 18, 1786, written for transmission to the English company, A. N., AJ¹ 7, "Délibérations," Mar. 24, and Apr. 4, 1786, Calonne insisted that the letter be sent to London in its original form.

¹³ A. N., AJ¹ 223, Mar. 29, 1786. French E. I. Co. to J. Bourdieu. See A. N., T 38², J. Bourdieu to B. Huber, Apr. 16 and 20, 1786, where the whole plot is described. Gougenot and Bernier were the only directors who supported Bourdieu to the last. Bérard and Bézard had always been against him.

in the East India trade. What was at stake was the business which the French company must do in London. The only question was who should control it, for even the spokesman of the French government knew it would go on. That business had two important sides: one was the payment in London of the bills of exchange issued in India by the French company's servants to Englishmen who wished to remit money to England; the other was the insurance business. Purchases of metals, supplies, and ships in England also were involved, but they were subordinate in importance to the bill and insurance business. It was to the commissions on this business that London houses looked for their own private profit. There is hardly a doubt of their willingness to split these commissions with their French friends. In all probability, a desire to concentrate the bill business and the insurance business in the hands of one London house, that of Charles Herries & Co., was at the bottom of all M. Bérard's maneuvers against Bourdieu, Chollet & Bourdieu.¹⁴

All these types of international transaction between Paris and London had been going on since the peace of 1783. The attempted negotiation of an agreement between the two India companies was simply an effort to throw part of them into a new channel. It is the story of these transactions themselves which affords us the clearest evidence of the amount of French India business which passed through British hands.

The insurance policies issued and the purchases of supplies made in London may well be considered first, for the payment of India bills of exchange was a far more complex matter. The English East India Company did not insure its cargoes. Like many corporations of today which own a vast amount of real property, it considered itself large enough and wealthy enough to take its losses by fire and shipwreck as they came, and be its own insurer. The new French company could not afford to do so. All its cargoes and all its ships, whether directly owned

¹⁴ A. N., T 38^a, Huber-Bourdieu letters, *passim*; especially Bourdieu to Huber, July 23, 1790; also, in T 38, to A. Périer, Jan. 23, 1786.

by it or hired from private shipowners at Lorient, had to be insured. That insurance was placed all over western Europe, but the lion's share of it was written in London through Charles Herries & Co.¹⁵

In placing its insurance, the French company divided its risks into two categories, those incurred in Indian seas and those incurred in Europe. The expeditions of 1786/87 required writing 19 $\frac{3}{4}$ millions of *livres* for Indian risks and 3 millions for European. Of the 19 $\frac{3}{4}$ millions, Charles Herries & Co. secured 8 $\frac{3}{4}$ millions in London, and over half a million at Ostend through their friends and associates George Keith & Co. Of the remainder, Cadiz had the largest share, about 4 millions; Marseilles came next with 2 $\frac{1}{2}$ millions; and the balance was shared by Paris, Nantes, Bordeaux, and St. Malo. Of the European risks, all but a few hundred thousand were negotiated in London by Charles Herries. Amsterdam absorbed nearly all the residue. This meant that Charles Herries and his associates received in this fiscal year commissions on premiums of three guineas per cent on approximately £607,885 of insurance.¹⁶ In addition, they probably received commissions from policies written to cover the value of ships hired by the French company from private shipowners. Although exact figures for later years are not available, it is clear that the London share of the French company's insurance increased, chiefly because the London underwriters promptly paid the losses after the wreck of the *Calonne*, while the French underwriters at Nantes, Marseilles, and La Rochelle haggled over the matter for years. This large insurance business stayed with Charles Herries & Co. until M. Bérard lost his hold

¹⁵ A. N., AJ¹ 235, and 237, French company's letters to Charles Herries & Co. In 1786-87, Charles Herries provided the French company's agents in India with personal letters from Dundas to the governor-general and the governors of Madras and Bombay recommending the French company's agents to their courteous attention.

¹⁶ A. N., AJ¹ 314, "Tableau Général des Assurances"; See also A. N., AJ¹ 236, French E. I. Co. to Geo. Keith & Co., Ostend, regarding rates. The connection between Keith and Herries is evident in a letter of Aug. 10, 1784 from Hope & Co. to the English E. I. Co. in Misc. 27.

over the French company after 1789. It was then shared by Bourdieu, Chollet & Bourdieu, and Cazenove & Co. until ruin overtook the French company in 1793.¹⁷

The business of buying supplies and ships for the French East India Company, though less profitable to London houses, gives a far more vivid picture of French mercantile connections throughout Europe. With their private trade to the East disorganized by the American War, the French began from almost the very bottom. When their company was formed, it had no India goods on hand. In order to get under way, the directors scoured Europe for any surplus India goods they could lay hands on. Through their agent, M. Sauvage, at Copenhagen, they paid especial attention to the cargoes, mainly British owned, which were being sent from India in such ships as the *Hussar*, *Juliana Maria*, *Elizabeth*, *Ganges*, *Achilles*, and many others, consigned under the Danish flag to the houses of De Coninck & Reyersen, Pierre Peschier, Cramer & Ryberg. Before the returns from their own expeditions were regularly coming in, they had paid over a million rix dollars for 2,300 bales of piece goods from this source, but at the same time they had not neglected the sales held by the English East India Company in London. They there bought through Cazenove & Co. over 1,300 bales of piece goods for £171,258, plus coffee and pepper, through other agents, to the value of £21,465. At Lisbon one Pothonnier purchased for them nearly 400 bales, most of these from cargoes owned by British subjects. Even the Dutch company's sales were not neglected, for from Mathes & Son at Amsterdam came fifty-one bales worth 103,279 florins.¹⁸

All these operations were carried on with great circumspection. M. Sauvage, for example, was sometimes told not to buy, but to pretend to buy, in order to influence the trend

¹⁷ A. N., AJ¹ 237, French E. I. Co. to C. Herries & Co., Sept. 4, 1788; AJ¹ 234, to Moracin, Dec. 8, 1787; AJ¹ 238, to Bourdieu, Chollet & Bourdieu, Jan. 31, 1791; to Cazenove & Co., Apr. 19, 1792.

¹⁸ A. N., AJ¹ 255, lists of invoices of goods bought in Europe.

including that of the *Nancy*, a ship which may have arrived at Lorient flying the Stars and Stripes.²¹

Since France herself did not produce the silver bullion metals and marine stores which formed the bulk of every export cargo to India, these had to be bought abroad. The English share of this business was not large. The French early gave up any attempt to compete seriously with the English in carrying out such articles as Madeira wine, beer, and hats, and confined themselves to the heavy metals. From Charles Herries & Co. they received accurate information of every change in the export policy of the English company. They bought a large share of their copper in England through Pascoe Grenfell & Co. of Liverpool. When prices rose, largely as a consequence of increased buying by the English company, they turned more and more to the house of Jacques de Ron & Co. in Stockholm. Practically all their purchases of lead seem to have been arranged by Herries. When the English company exerted itself to market Cornish tin in China, the French directors also made a trial of tin. Some of their hemp and other marine stores came at first through the English firm of Thornton Cayley & Co. of St. Petersburg, but the Hopes soon succeeded in persuading them that Russian marine stores, as well as metals, were more cheaply bought in Amsterdam.²² The French company, anxious to support their government in its desire for closer relations with Spain, made a brief trial of such products of Spanish America as cochineal and Peruvian copper.²³

²¹ A. N., AJ¹ 255, invoices; AJ¹ 230, letters to Hope & Co., Oct. 24, Nov. 24, 1786, Mar. 4, July 13 and 16, 1787.

²² A. N., AJ¹ 234, French E. I. Co. to Bengal agents, Mar. 25, to Pondichéry agents, Mar. 30, 1789; AJ¹ 223, to Pascoe Grenfell, Jr., Aug. 29, 1785 (order for 60,000 lbs. copper); May 24, 1786 (order for 200,000 lbs.); AJ¹ 236, Sept. 25, 1787; AJ¹ 237, May 29, 1788; AJ¹ 236, to Jacques de Ron & Cie, May 4, 1787; AJ¹ 237, June 1, 1789; AJ¹ 7, *Délibérations*, Oct. 18, 1787; AJ¹ 223, to Charles Herries & Co., May 4 and 24, 1786 (order for 100 *milliers* of lead); AJ¹ 237, Aug. 14, 1788 (invoice 100 *milliers* of lead of Chester); AJ¹ 237, July 16, 1789; to Godfrey Thornton, June 5, 1789; to Hope & Co., July 6, 1789.

²³ A. N., AJ¹ 236, French E. I. Co. to Le Couteulx & Co., Cadiz, Feb. 27, 1787. Vanilla, Malaga grape juice, and quinine were also listed.

In the business of providing silver bullion for export by the French company, English commercial houses had little or no share.²⁴ On rare occasions some of the silver dollars bought for the French at Cadiz were shipped to Charles Herries & Co. for sale to the English company. No other connection with England appears to have existed. Nearly all the silver transactions were shared equally by the two houses of Le Couteulx & Co. and Magon Lefer Frères, at Cadiz. These firms were used because of the great difficulties of dealing directly with the Royal Bank of Saint Charles in Madrid. As long as the French company's returns came in smoothly, the bullion was easily made ready to be called for at Cadiz by the French company's ships. Difficulties only began with the impairment of the French company's credit in the autumn of 1788. By that time, the Spanish bank directors' nervousness caused much concern in Paris, for the French were most anxious to continue their export of bullion. Regarding reliance on bills of exchange on Calcutta and Madras as very unwise, they decided to borrow on short term of their agents at Cadiz. In this way they tided themselves over until the fall of the Bastille forced them to take other measures. The beginnings of the Revolution so dislocated the exchanges and impaired the prospects of their sales of India goods that they were forced to appeal to the Marquis d'Yranda in Madrid for loans in aid of their purchases of hard dollars. Thereafter until the bankruptcy of Le Couteulx & Co. in 1793 entirely disrupted the buying of dollars, the French company's consignments of silver were made up with the very greatest difficulty.²⁵

In the purchasing of ships for the French company, English houses played a considerable part. As long as Bérard *ainé*,

²⁴ A. N., AJ¹ 237, French E. I. Co. to Charles Herries & Co., Sept. 1, 1788; to Magon Lefer, Frères, May 17, 1788, Dec. 9, 1788; AJ¹ 223, to Bank of Saint Charles, June 4, 1785; Feb. 14, 1786; AJ¹ 237, Oct. 18, 1788; AJ¹ 12, to La Vauguion, French ambassador in Madrid, Feb. 14, 1786.

²⁵ A. N., AJ¹ 237, French E. I. Co. to Marquis d'Yranda, Sept. 27, 1789; AJ¹ 238, to other Spanish correspondents; AJ¹ 239, French E. I. Co. to R. Boom et Co., Cadiz, receivers for Le Couteulx & Co.

was in the saddle, Charles Herries & Co. dominated this business. The French company's shipping policy was entirely one of expediency, and apparently sprang from the French directors' desire to escape from the clutches of M. Arnoux Dessaulsays, a leading shipowner of Lorient. Their quarrel with him appears to have begun in June 1786 when they chose to look at ships in Nantes with a view to buying some of their own. George Keith, the associate of Herries in Ostend, was approached about the same time concerning the possible sale of the ships belonging to the bankrupt Imperial East India Company of Trieste.²⁶ In the following summer the French embarked on an extensive ship-purchasing program behind the back of M. Arnoux Dessaulsays. At Bordeaux they secretly arranged with MM. Tarteiron & Cie to buy two ships to be refitted under the eye of the French company's own carpenter, Pierre Gast, who was to appear as an employee of Tarteiron brought down from Nantes to Bordeaux.²⁷ In London, Charles Herries & Co. bought for them from Alexander Manson at £6,827 the famous *Hussar*, a ship well known for her checkered career in the illicit India trade under Danish colors. Freightened by Herries & Co. with 40 tons of copper, 85 of lead, a full complement of East India provisions "done up as for the colonies," and 300 muskets, tested and "all complete and of the same qualities and types adopted by the troops of the [English] East India Company," she sailed into Lorient to be christened the *Prince de Condé* and became a worthy representative of the French mercantile marine under the *ancien régime*.²⁸

By the spring of 1789, Bérard and his friends had decided that the company should own all its ships and dispense altogether with M. Arnoux Dessaulsays. Two days after the Bas-

²⁶ A. N., AJ¹ 223, French E. I. Co. to A. F. De la Ville, Nantes, July 1, 1786; to George Keith, June 2, 1786; AJ¹ 236, to Keith, July 8 and 20, 1787.

²⁷ A. N. AJ¹ 230, French E. I. Co. to the Administrators at Lorient, Aug. 1, 1787; to Tarteiron de St. Rémy, Bordeaux, Aug. 4, 1787; Aug. 18, 1787 (ordering publicly two vessels to help conceal the purchase of the other two).

²⁸ A. N., AJ¹ 236, French E. I. Co. to Charles Herries & Co., Aug. 16 and 27, 1787. This transaction was carried through privately by M. Bérard. His own house at Lorient was concerned in it. See also AJ¹ 308, purchases of ships.

tille fell, when the French company were busy persuading themselves and their European correspondents that nothing serious had happened, they wrote Charles Herries of their plans for buying an English East Indiaman. By September, Herries had succeeded in getting not one but two former East Indiamen, the *Ravensworth* and the *Lansdowne*.²⁹ The original broadside for the sale of the *Ravensworth* advertised her as:

A most extraordinary swift sailer, built in His Majesty's Yard at Deptford, Burthen 520 tons or thereabouts, was lately rebuilt in the East Indies [at Bombay with teak] at His Majesty's expense, has Three Decks and is Copper-sheathed; is a Ship well adapted for War or Trade, and her Hull and all her Stores are in excellent Condition, and may be fitted for any long Voyage at very small Expense. Now lying in Messrs. Parry & Co.'s Wet Dock at Blackwall.³⁰

Both ships were provisioned, freighted, and ready to sail for France in October when mounting popular and patriotic feeling at Lorient forced the French company to order the ships held in London. As luck would have it, their letter was just too late. The ships arrived off Lorient and fanned the anger of its seafaring populace to fever heat. The French admiral on duty was hard put to prevent the mob from burning the English ships. After the deputies of Lorient had spoken on the subject in the National Assembly, the French company defended itself as best it could in a letter to Lambert, then *Contrôleur-Général des Finances*. As a result of Lambert's intercession with the ministry of the navy, the ships were finally allowed to dock at Lorient. The outbursts of popular and patriotic indignation were not entirely in vain, for the *Lansdowne* and the *Ravensworth* embarked on their new careers in the Indian seas as *La Constitution* and *Le Citoyen*.³¹

The business of securing bills of exchange to be issued in

²⁹ A. N., AJ¹ 234, French E. I. Co. to Moracin, Mar. 30, 1789; AJ¹ 237, to Charles Herries & Co., July 16, Aug. 6, 10, and 20, 1789.

³⁰ A. N., AJ¹ 361, papers *re Ravensworth* and *Lansdowne*.

³¹ A. N., AJ¹ 238, French E. I. Co. to Charles Herries & Co., Oct. 29, Dec. 21, 1789; Mar. 25, May 20, 1790; AJ¹ 230, to Lambert, Dec. 5, 1789.

return for money paid into the treasuries of the French company's agents in India went on simultaneously in Europe and in India. In Europe, the company dealt, either directly or through its agents, with the attorneys of British subjects or other Europeans who were presumed to have funds in India awaiting remittance. In India, the French company's servants dealt personally both with individual Europeans and with agency houses at Calcutta and Madras. The number of bills of exchange issued by the French company which represent remittances purely French in origin is comparatively small. There is little or no evidence to show that British subjects who wished to remit money secretly to London were reluctant to do so through the French company's "cash" for patriotic reasons. The flow of British money to the French company's coffers was subject to all the checks which operated to lessen the stream going through the hands of the agents of foreign East India companies or illicit traders. The Parliamentary prohibitions early operated to drive French transactions underground. The shrinkage in Anglo-Indian fortunes, together with the increasing use of British channels, had severely curtailed such transactions when the financial troubles which the early years of the French Revolution brought upon the French company caused even the most unscrupulous British trader to think twice before he confided his money to the French agents at Chandernagore or Pondichéry. The chief distinction between the French and the Dutch in this matter was that the Dutch factories in India were mere outposts of a commercial empire administered from Batavia. The French company, with no empire in Malaya and a small trade with China, was compelled to export silver to India in fairly large quantities. From the very beginning of their operations, and especially after the negotiations with the English company broke down, the French directors knew that whatever amounts they could collect from the English company's servants would not suffice to meet their needs.

During the first year or so of their operations, the French

directors secured bills of exchange on India through their London agents. While the negotiations for the ill-starred agreement with the English company were proceeding, Bourdieu & Chollet, sometimes with and sometimes without M. Périer, were going about London bargaining with the agents of Anglo-Indian "nabobs." As soon as M. Bérard was in the ascendant, Charles Herries & Co. took up this quest, and continued it until the troubles of 1790 brought the business and the commissions back into James Bourdieu's hands.³² After 1787, when the French company's agents were well established in India, most of the soliciting of money was done there and the London end of the business was confined to financing the actual payment of the bills in England. The Parliamentary prohibitions against trading with foreign East India companies operated against the French from the very beginning. In one of his earliest letters home, M. Dangereux, the French company's agent in Bengal, urged the directors to send out more silver because of the vigorous action of the English company and the "prodigious" number of wealthy English who were leaving Bengal because of the threats of Parliament. In August 1786, M. Dangereux issued bills of exchange worth £25,000 payable to John and Francis Baring & Co. and used most of the money to buy piece goods. A month later, the British subject who had paid in the rupees brought back the thirteen bills of exchange with a request for the removal of Baring's name, whereupon M. Dangereux gave him a new set of bills drawn to his order as agent of the French company and endorsed in blank by him.³³

At Madras, the difficulties caused by the acts of Parliament were circumvented by drawing the bills on MM. Sabatier & Desprez, whose credit was trusted by the British. When

³² A. N., AJ¹ 223, French E. I. Co. to Bourdieu, Chollet & Bourdieu, Dec. 2, 1785, Jan. 5, 1786, Feb. 13, 1786; to Charles Herries & Co., Jan. 5, 1786; AJ¹ 238, sundry letters to Bourdieu, Chollet & Bourdieu. See also A. N., T 38, Bourdieu-Huber correspondence.

³³ A. N., AJ¹ 40, MM. Dangereux and Deona to French E. I. Co., Apr. 13, Sept. 26, 1786; AJ¹ 234, French E. I. Co. to Bengal agents, Dec. 8, 1787.

this became no longer possible because of strict orders from Paris, M. Moracin, the French agent at Pondichéry, deceived the British by pretending to continue to draw on Sabatier & Desprez. The names of Sabatier & Desprez apparently continued to appear on the bills, but they were followed by the mystic symbols CP (CN). M. Moracin told those who brought him the golden pagodas that the CN stood for *compte nouveau*, but he wrote his employers that it really meant "for account of the company." In this way, he created what his English friends were pleased to call Moracin's "private bills." He was also forced to endorse in blank, for he wrote to the directors in Paris on March 28, 1788:

It remains, gentlemen, to tell you why quite a number of my bills of exchange are drawn to my order and endorsed over by me in blank to their bearers. It is simply because the laws forbidding the English to traffic with foreigners are of such great severity that very few of them dare to allow bills to be drawn to their own order.³⁴

At the end of the year 1787, the French agents in Bengal began ascribing their difficulties in getting bills more to the diminution in Anglo-Indian fortunes than to the penalties of the law. At home the French company had already raised the rate for the current rupee to two shillings and a penny in an effort to attract more British remitters. In the following spring the French agents in Bengal could get money from the English with only the greatest difficulty. Not only were English surpluses shrinking and being absorbed in remittances through the English company, but the war-scare growing out of the European tension in the autumn of 1787 made French remittances appear precarious.³⁵ Some months later, the French directors in Paris, plucking up courage on account of the troubles of the Dutch, wrote to Charles Herries & Co.:

We flatter ourselves that, finding this year because of the present state of affairs little or no competition from either private individuals

³⁴ A. N., AJ¹ 39, Moracin to French E. I. Co., Mar. 28, 1788.

³⁵ A. N., AJ¹ 40, Bengal agents to French E. I. Co., Dec. 26, 1787; Mar. 7, 1788; AJ¹ 39, Moracin to French E. I. Co., Mar. 27, 1788; AJ¹ 236, French E. I. Co. to Charles Herries & Co., Dec. 3, 1787.

or the Dutch company, it will be easier for you to fill our orders [for bills on India].³⁶

Advices from India in the spring of 1789 showed there was indeed a brief revival of confidence in the French company on the part of the British, especially at Madras where the agency houses and the attorneys of Paul Benfield again paid money to M. Moracin. This revival was short-lived. On February 13, 1790, the directors at Paris wrote to their agents in Bengal that they found it impossible to get any bills of exchange in London on satisfactory terms. Thereafter, until the outbreak of war in 1793, bills were occasionally negotiated, but Bourdieu, Chollet & Bourdieu carried through the transactions under great disadvantages, for the exchange rates were against the French.³⁷

Although the endorsements in blank prevent us from knowing who many of the remitters of money through the French company were, we can form some judgment about them from a comparison of the lists of bills of exchange made in Paris with the occasional references to them in the correspondence of the French directors with their servants in the East.³⁸ At Calcutta, the French agents dealt primarily with the leading agency houses of Ferguson & Fairlie, Bayne & Colvin, and Paxton, Cockerell & Delisle who were peddling out their clients' money in lots of £1,000 to £3,000. Most of the names of these clients are those of Englishmen otherwise unknown to fame, but George Tyler, the rice contractor, was among them, and there is good reason for thinking that one item of £1,000 conceals a remittance of 10,000 rupees by Sir John Macpherson himself.³⁹ At Madras, large remittances by prominent "nabobs" were the rule. M. Moracin solicited such business both

³⁶ A. N., AJ¹ 237, French E. I. Co. to Charles Herries & Co., Oct. 13, 1788.

³⁷ A. N., AJ¹ 234, French E. I. Co. to Moracin, Mar. 30, 1789; AJ¹ 235, French E. I. Co. to Bengal agents, Feb. 13, 1790; AJ¹ 238, French E. I. Co. to Bourdieu, Chollet & Bourdieu, Dec. 5, 1791; Jan. 2, 1792; A. N., T 38, Bourdieu, Chollet & Bourdieu to B. Huber, August 9, 1791.

³⁸ A. N., AJ¹ 247, and 248, lists of bills.

³⁹ A. N., AJ¹ 234, Bengal agents to French E. I. Co., Nov. 1, 1786, quoted in French E. I. Co. to Bengal agents Dec. 8, 1787.

directly on his own initiative and indirectly through the agency houses of Balfour & Spalding and of Francis Lautour. Among his customers were William Petrie, Alexander Brodie, Paul Benfield, James Woolley, and Colonel William Fullarton.⁴⁰ The French agents in India also tried with some degree of success to persuade wealthy captains of English East India-men to buy French bills of exchange.⁴¹

Between April 1785 and March 1790, bills of exchange calling for the payment of £757,177 were presented to the French East India Company's London agents for payment. There is no evidence that this sum was not paid. It represented remittances from Madras via Pondichéry of £600,926 and from Calcutta via Chandernagore of £156,251.⁴² This Bengal figure is so small that there is some reason for thinking that the lists of these bills, made up in Paris shortly before the French National Assembly threw the India trade open to all Frenchmen, are not complete, but they provide us with the only safe guide for estimating the amount of money sent home by British subjects through French channels. Without similar lists for the troubled period after 1790, an accurate estimate of the amount payable in London during the three years before the outbreak of war between France and England in 1793 cannot be made. That sum was certainly not large.⁴³ It is highly unlikely that British subjects used the facilities provided after 1785 by Calonne's "new" East India Company to remit more than £1,000,000 to England.

⁴⁰ A. N., AJ¹ 237, French E. I. Co. to Herriès & Co., July 23, 1789; AJ¹ 234, to Bengal agents Mar. 25, 1789; AJ¹ 352, copy of sureties on three bills of exchange; from this document it appears that the members of Charles Herriès & Co. are Charles Herriès, Joseph Nailer, and James Drummond.

⁴¹ A. N., AJ¹ 40, Bengal agents to French E. I. Co., Sept. 1, 1786 (Capt. Douglas of the *Queen* 50,000 Rs.); AJ¹ 236 French E. I. Co. to Charles Herriès & Co., Dec. 27, 1787, Jan. 10, 1788.

⁴² A. N., AJ¹ 247, and 248. These lists shown that remittances on purely French account were at least *livres* 361,773 from Bengal and 336,846 from Pondichéry. From internal evidence in the correspondence of the Company, we can be certain the real total is much higher. Sums spent in India on government account and repaid in Paris are not on these lists.

⁴³ A. N., AJ¹ 238, French E. I. Co.'s letters to Bourdieu, Chollet & Bourdieu, 1790-1793.

The business relationships between the French company's agents in India and the British communities exiled in the East were not solely those which arose from the buying and selling of bills of exchange. If the French directors in Europe realized from the outset that they could not carry on their trade without the aid of London commercial houses, their agents in India were equally conscious that they could not dispense with British assistance in almost all their activities. On their arrival in Bengal, MM. Dangereux and Sanson were escorted by Mr. Ferguson of the great agency house of Ferguson & Fairlie when they made their first call on the governor-general, Sir John Macpherson.⁴⁴ Feeling that the French company's affairs could not be conveniently managed from Chandernagore, the Frenchmen thought seriously of taking up permanent residence in Calcutta. This was too much even for their immediate superior M. Moracin who wrote to them from Pondichéry: "What idea do you suppose foreigners would have of a French company whose headquarters were at the English capital?"⁴⁵

Nevertheless, although they made a brave show, as did the Dutch, of the old Mogul *firmans* guaranteeing their commercial privileges, which forced the British government to give way slightly in its efforts to control the entire trade of Bengal, the French had no illusions as to their helplessness. They knew they could not collect an "investment" of piece goods in Bengal without the aid of the English company's servants.⁴⁶

Since the treaty of peace had promised the French a trade *sur, libre, et indépendant* such as had been carried on by their former East India company, the agents of the new French company first busied themselves in promoting negotiations for the exact interpretation of the treaty. Sir John Macpherson, who always professed an easy-going and purely Indian

⁴⁴ A. N., AJ¹ 353, "Délibérations Bengale," Mar. 1, 1786.

⁴⁵ A. N., AJ¹ 39, Moracin to Dangereux and Sanson, Apr. 9, 1786.

⁴⁶ Dutch Records, A 22, papers on French claims.

attitude toward matters of trade, gladly sent off Lieutenant-Colonel Cathcart to confer with the French governor-general, the Vicomte de Souillac, at Mauritius.

De Souillac's acquaintance with the East had already led him to place commercial considerations above purely political ones. In April 1786 he and Colonel Cathcart together worked out a convention, which solved most problems by amicable compromise. The British gave up their claim to hail every French ship arriving in the Hugli. The French agreed to an examination of ships previously reported as smugglers of salt or military stores. The British abandoned their claim to a complete monopoly of salt in Bengal by allowing the French to bring in 200,000 *maunds* of salt for purchase by the Bengal government at a fixed price. The British likewise receded from their plan to prohibit French agents from issuing *dastaks* exempting their goods from local duties. *Dastaks* were preserved, but were hedged about with restrictions to prevent their abuse. This was an important point for the *dastak* had in the past been a fertile source of corruption and a means whereby the European East India companies had increased their power in the country. In fact, many of the English East India directors who could remember the conditions in Bengal in the 1760's only too well, were much taken aback by this and other concessions when they finally received the convention in the autumn of 1786. They refrained from disallowing it at once only because Pitt did not wish to embarrass Sir William Eden (later Lord Auckland) who was in Paris carrying on negotiations for the Anglo-French commercial treaty of 1786.⁴⁷

After the conclusion of the Eden treaty, the two home governments took up the Cathcart-Souillac convention. Sir William Eden made short work of it. On August 31, 1787 he

⁴⁷ Parchment Records 83b, text of Souillac-Cathcart convention, signed Apr. 30, 1786; C. Ross, ed., *Correspondence of Charles, 1st Marquess Cornwallis* (3 vols., London, 1859), I, 282. In Mar. 1787, the Court of Directors wrote to Bengal that the temporary observance of the convention would involve no "material mischief." See also B. M., Add. MSS 34,468, Chas. Cathcart to Governor-General, May 5, 1786.

which regulated trade through Bengal was not present. The English company's servants on the Madras establishment, not being immediately under Lord Cornwallis' vigilant eye, were easier to deal with. Around Pondichéry there were weaving communities which had been long accustomed to weave for *gumashtas* in French employ. M. Moracin, if we judge from his letters, was more able, efficient, and enterprising than his subordinates in Bengal. Not only did he develop his own private system of bills of exchange, but he was not above supplementing bills of exchange by accepting private shipments of cloths on English account. He certainly did this for John Coxe Hippisley, John Call, and Robert Ewing, whose consignments were sold for their benefit at Lorient.⁵² He also did it for some of the Madras Portuguese merchants. On these transactions, he received his commission and the French company received the freight. As early as August 1786, Périer had urged the acceptance of this sort of business on the other directors in Paris, but had been voted down probably for patriotic reasons.⁵³

Moracin hoped to revive French trade on the western coast of India at Mahé and Surat. At Mahé, an embargo imposed by Tipu Sultan effectively blocked all real progress.⁵⁴ At Surat, in spite of the reëstablishment of the French factory, little was accomplished by the agent Bruix, a quarrelsome naval officer, though it is interesting to note the French company's desire to export Surat cotton to Europe for ultimate manufacture by the new machines in the English cotton mills.⁵⁵

⁵² A. N., AJ¹ 352, Moracin to directors of French E. I. Co. at Lorient, Oct. 30, 1788 (Hippisley); AJ¹ 238, French E. I. Co. to R. Ewing, Dec. 23, 1790; AJ¹ 237, to John Call, July 2, 1789.

⁵³ A. N., AJ¹ 7, "Délibérations," Aug. 21, 1786.

⁵⁴ A. N., AJ¹ 39, Moracin to French E. I. Co., Mar. 4, 1786; July 21, 1787.

⁵⁵ A. N., AJ¹ 234, French E. I. Co. to Moracin, July 11, 1789; AJ¹ 39, Moracin to French E. I. Co., Feb. 7, 1788; De Court to same, June 23, 1787. AJ¹ 352, "Mémoire sur Surate." AJ¹ 234, French E. I. Co. to Boyer, agent at Mahé. Boyer was to send 200 bales of cotton packed as the English pack it together with every possible detail about English shipments of cotton. See Fac. Rec., Surat 68, Consultations Jan. 28, 1790, and Surat 69, Consultations July 13, 1791, for disputes between Bruix and the English.

The French company's failure to develop its trade in western India may in large part be explained by the peculiar nature of the French connection with the "country" trade in the Indian seas. From a British standpoint, the "country" trade had become in so far as possible the private preserve of British and Indian merchants domiciled in India and of the East India Company's servants in their private capacities. Officially, the East India Company can hardly be said to have encroached on this preserve to an appreciable extent. Its shipments of cotton from India to China gave the "country" merchants little serious competition. The Company was supposed to confine itself to the trade with Europe and China. Strictly speaking, the captain of an East Indiaman who broke his voyage in a way which benefited his own private ventures in trade between two East India ports was as deserving of the Company's censure as any civil servant or military officer who traded illegally to Europe under a foreign flag.⁵⁶

From a French point of view, the situation of the "country" trade was somewhat different. By the regulations which were agreed upon when the French company was organized, the "country" trade was reserved primarily for the inhabitants of the islands of Mauritius and Réunion. Apart from insignificant shipments of India piece goods to Mocha and Chinese goods to Mauritius, the French company appears to have taken no part whatever in "country" trade. The French "country" merchants with their headquarters at Mauritius were most interested in the African trade and in facilitating illegal shipments of India and China goods to Europe under false colors. Apparently they did not directly invade the British preserves in the "country" trade of western India, most of which was controlled by British merchants at Bombay, Surat, and Tellicherry who either were or had been servants of the English company. A real development of French trade

⁵⁶ Regarding the prevalence of this practice, see *Five Letters from a Free Merchant in Bengal to Warren Hastings* (London, 1783), attributed to Joseph Price.

on the west coast demanded more resources than the French company possessed and it is hardly probable that the merchants at Mauritius would have regarded such a development with favor.⁵⁷

Behind the activity of French "country" merchants at Mauritius lies a story of business transactions with British "country" ships which can never be fully told. The French East India Company in 1785 licensed thirty-three voyages from France to Mauritius, Réunion, and East African ports. In 1786, the number of such licenses rose to thirty-nine; in 1787 to fifty; in 1788 to sixty. In 1789, the number dropped to twenty-two, but in 1790 it bade fair to regain this loss, for nineteen licenses were issued before the decree of the National Assembly opening the trade with India in April abolished the licensing system.⁵⁸ The great majority of these ships were engaged in the slave trade. Those that went to Mauritius picked up there the coarse Indian piece goods, trinkets, and cowries used in the African trade. Those that did not acquired them from "country" ships, most of which had called at Mauritius. Since it is extremely improbable that the French "country" merchants in Mauritius could bring supplies sufficient for the African market in their own ships, transactions between them and British "country" captains undoubtedly took place. In 1787, a royal *arrêt* did away with all restrictions on the trade of foreign nations at Port Louis. Complete commercial records of Port Louis might well show Anglo-French business relationships as close and as intimate as any that existed on the continent of India.⁵⁹

⁵⁷ A. N., AJ¹ 307, invoices of cargoes *Inde en Inde* 1786-1789. Suggestions were made for the purchase of one or two ships to transfer European cargoes from Pondichéry to other French factories. See AJ¹ 234, French E. I. Co. to Boyer, agent at Mahé, July 11, 1789; to Moracin July 11, 1789. The directors at Paris did not wish to offend the English by shipping military stores to Mahé.

⁵⁸ A. N., AJ¹ 18, "Correspondance relative aux passeports à délivrer aux armateurs particuliers." Sometimes the *traite des noirs* is specifically mentioned in the applications.

⁵⁹ In 1786/87 and 1787/88, sixteen small 150-ton "country" ships and two or three large ships traded under French colors between Bengal and Mauritius. The large ships seem chiefly to have carried food. See A. N., AJ¹ 40, Bengal

In estimating the French East India Company's total achievement as a trading corporation, it is necessary to give separate consideration to the three years after the National Assembly opened the India trade to all Frenchmen. These years were years of confusion during which normal operations were impossible. The five years prior to April 1790 afford us the only evidence on which the company's work can really be judged. In many ways the company of Calonne had a unique opportunity. It was the only East India company of the time which was not encumbered with legacies from the past and which was virtually independent of government. It started its business *de novo*, and though it supplied money to the French government in India, its affairs were successfully kept separate from those of government.⁶⁰ Moreover it is of peculiar interest to us because its connection with China was so small and its connection with India so great. Its directors recognized almost at once that Pitt's Commutation Act would virtually kill their prospects in China.⁶¹ They therefore concentrated nearly all their efforts on a purely Indian trade.

A perusal of the French company's balance sheets and statistics of imports and exports which have survived leads to some rather unexpected results.⁶² We are struck at once with

agents to French E. I. Co., Jan. 20, 1788. A document in AJ¹ 351 gives the total number of arrivals at Port Louis as 32 and of departures as 34, in the period Sept. 4, 1787-Feb. 1, 1788; AJ¹ 13, Nov. 4, 1788. "Observations sur la lettre de MM. les Administrateurs des Isles de France à M. le Cte. de la Luzerne."

⁶⁰ The government's connection with the speculation in East India shares in 1786 does not, strictly speaking, concern the Company. Once the capital was raised, the Company was solely responsible for its use in trade. Regarding the speculations and the use of government money on the bull side of the market, see F. L. Nussbaum, "The Formation of the New East India Company of Calonne," *American Historical Review*, XXXVIII, 495.

⁶¹ A. N., AJ¹ 13, "Observations" on Gourolade's letter to Necker of December 24, 1788. Invoice figures in A. N., AJ¹ 305, and 306, for trade to and from China for the three seasons 1785/86, 1786/87, 1787/88 are: total to China 10,790,351 *livres* (all but 73,788 *livres* represents exports of bullion from Europe); total invoices from China 10,753,704 (valuing the *tael* at the Company's rate of 9 *livres* per *tael*, and reckoning the first return cargo of *Le Dauphin* at 200,000 *taels*, a figure arrived at by comparison with other cargoes homeward).

⁶² A. N., AJ¹ 305, and 306, lists of invoices outward and homeward. For the

the large amount of silver shipped to India, no less than \$6,192,987. There is no marked gap between the invoiced imports and exports. After the failure of the scheme for an agreement with the English company, the French company was empowered to raise an additional twenty million *livres* by selling stock, making its total capital forty million *livres*. This entire forty million *livres*, some of which may have been subscribed in the Netherlands, but practically none of which was English, was spent on buying India goods in Europe for the company's first sales and in freighting ships and buying cargoes for its first two expeditions.⁶³ Although the proceeds of the first sales at Lorient did not live up to expectations, the French company was not pinched for money until October 1788 when the directors appealed to the Hopes at Amsterdam for assistance.⁶⁴ Because of the state of the market for India goods, their sales had to be postponed until November. They therefore needed to borrow in order to arrange the purchase of their next outward-bound cargoes of silver and metals.⁶⁵ It is very improbable that the French company was ever again

period Apr. 1785–Feb. 1790 (omitting outward cargoes of ships which had not returned to Lorient by Feb. 1790), the invoiced values of cargoes appear as follows: homeward cargoes 12,063,231 *sicca* rupees, or (at 58 *sols* per *sicca* rupee) 34,983,670 *livres*; outward cargoes 36,173,795 *livres*. There appears therefore an excess of invoiced imports of goods and bullion into India from France of approximately 1,000,000 *livres*.

⁶³ No English names appear among the *actionnaires* whose names have survived in the series A. N., AJ¹. Non-French names (e.g., Greffulhe, Diodati) are very few. See also AJ¹ 13, *Mémoire* to Necker, Oct. 3, 1788; A. A. E., *Mém. et Doc.*, Asie 5, f. 373, list of *principaux actionnaires* (compiled in 1817).

⁶⁴ The figures on sales in A. N., AJ¹ 276–289 do not support the company's view that 15 million *livres* invested should produce a sale value of 24 millions, set forth in the above cited *mémoire*. According to these figures, the French E. I. Company received 81,133,152 *livres* from sales of India and China goods in the period Apr. 1785–Dec. 1790. The invoices of outward cargoes of the ships concerned totaled 46,964,146 *livres*. In the same period, the company issued bills of exchange for 4757,177 and 698,619 *livres*. Taking the *livre* at a high rate 1s. (normal rate 10d.—11d.), this makes a total of 15,842,159. The outward investment therefore was at least 62,806,305 *livres*.

⁶⁵ A. N., AJ¹ 237, French E. I. Co. to Hope & Co., Oct. 3, 1788. Application for a loan of 1,200,000 *livres*. To support their credit the French directors assure Hope & Co. that demands by the Hopes for repayment of this loan will be met by Charles Herries & Co.

really on an even keel, though it persisted in proclaiming its solvency. Inability to make both ends meet caused a reorganization in the board of directors in the autumn of 1789 six months before the National Assembly opened the trade. Nevertheless, as far as the general public knew, the company was in good condition. It had paid dividends. It was still sending out ships. Its shares had not dropped sharply on the *bourse*.⁶⁶

During the years 1785-1790, the French East India Company not only kept up its credit, but it successfully defended itself against the attacks of the chambers of commerce of most of the trading towns of the kingdom. In a war of *mémoire* and counter-*mémoire* to successive ministers of finance it thwarted the aims of private merchants, most of whom were actuated by a desire to trade to India on English account.⁶⁷ On occasion it had to give way, notably in licensing for a voyage from Marseilles to India the *Viscomtesse de Besse* owned by a M. Rabaud who was a particular friend of a minister. The *Viscomtesse*, though forced to carry goods on company account, also made a "country" voyage between Calcutta and Madras on English account before she came home.⁶⁸ In actual fact, though the company won its fight to hold its monopoly, it never completely throttled private French trade, for the private merchants smuggled both coffee and piece goods into France from Mauritius.⁶⁹ More ominous for the com-

⁶⁶ A. N., AJ¹ 13, French E. I. Co. to "premier ministre des finances" Aug. 27, 1789, directors offer to resign; Sept. 2, 1789, election of five *Commissaires*; Nov. 1789, resignations of Bézard, Sabatier, and the younger Bérard.

⁶⁷ A.A.E., Mém. et Doc., Asie 5, "Mémoire de la Chambre de Commerce de Guyenne," Sept. 23, 1786. "Mémoires relatifs à la discussion du privilège de la nouvelle Compagnie des Indes, 1787," signed by representatives of Marseilles, Rouen, Lyons, Montpellier, Dunkirk, Bordeaux, Toulouse, La Rochelle, Nantes, Lorient, Havre. A. N., AJ¹ 12, "Mémoire de la Compagnie," June 26, 1787. Bordeaux merchants wished to send a ship to India to bring back an English-owned cargo.

⁶⁸ A. N., AJ¹ 18, License to MM. Rabaud & Cie. of Marseilles to send a ship to Mauritius, Bourbon, and India. A. N., AJ¹ 40, Bengal agents to French E. I. Co., Feb. 2, 1788.

⁶⁹ A. N., AJ¹ 13, "Mémoire" on illicit introduction of India goods into France from Mauritius and Bourbon. The company claimed that goods worth seven or eight million *livres* came in between Sept. 1786 and Nov. 1788. AJ¹

pany's own future was the speculation in its shares by the notorious Abbé Esparnac. Government money was not involved as much as has been supposed, but these speculations are indicative of the unsoundness of much of the high finance of the day. On the whole, in a France which was moving steadily toward national bankruptcy, Calonne's East India Company made a creditable showing. The company's business letters to its correspondents, just before and just after July 14, 1789, show a commendable determination to maintain its credit and carry on business as usual in spite of a revolution *inattendue* which might disturb commerce for a time, but would never shake the solidity of the company's concerns.⁷⁰

In April 1790, when faced with competition from the private merchants, the French company took account of stock. Its balance sheets show that its real difficulties lay in marketing its product both in India and in France. In India, a very large proportion of the heavy European goods remained unsold, and undoubtedly the margin of profit on the balance was trifling.⁷¹ In France, the book value of the India goods on hand as yet unsold amounted to nearly sixteen million *livres*. Of this about seven million *livres* represented goods left over from the first purchases in Europe and the earlier cargoes from India, including the season 1787-88. On these, no profit could be expected. There was an additional item for "gruff" goods, chiefly saltpeter and redwood, unsold, of four and a half million *livres*. Although the directors were liberal in charging off losses, their contention that a liquidation of their company would leave a profit of at least four millions was really based

235, French E. I. Co. to Moncrief, agent at Mocha, *re* interference of two ships from Mauritius, the *Afriquin* and the *Mathurin*, in the coffee trade July 11, 1789.

⁷⁰ A. N., AJ¹ 237, letters of French E. I. Co. to its foreign correspondents July 1789. See also its letters to its agents in India in AJ¹ 234 and 235, especially those to all the Indian settlements dated July 11, 1789, and one to Moracin at Pondichéry Aug. 1, 1789, which devotes a paragraph to the Revolution.

⁷¹ A. N., AJ¹ 234, French E. I. Co. to Bengal agents Mar. 25, 1789. Only 170,000 rupees' worth of goods had been sold out of 450,000 rupees' worth charged to Bengal.

on profits expected from future cargoes.⁷² In sober truth, immediate liquidation would have left them in the red. It was not attempted. A reorganization which involved partial liquidation was what really occurred in 1790 when the company wound up its affairs on a specified day and started over again with a new board of directors.⁷³

The achievements of this newly reorganized French East India Company before it crashed in a welter of corruption during the Terror⁷⁴ bear witness both to the ability of various interests to profit by its continued existence and to the survival of a certain amount of confidence that it might, if well managed, really make a profit itself. The troubles of the French company in 1790 quickly revived the quarrels of the private financial interests in London and Paris which had played so large a part in the company's affairs five years earlier.⁷⁵ A month before the National Assembly reopened the India trade, James Bourdieu was busily plotting to take the French company's London business away from the Herries. Because his former supporter, Périer, was thought to be anxious to give the business to the London house of John Motteux, Bourdieu's chief reliance lay in Barthélémy Huber, a Swiss and a confidant of Necker. Huber was presumed to be a coming power in the newly reorganized company. Unfortunately for Bourdieu, Bérard held his ground after the National Assembly opened the trade. Bérard and the British banker Boyd remained all-powerful after the first rearrangement of the board

⁷² A. N., AJ¹ 314, "Rapport sur le Bilan de Situation," Apr. 10, 1790. The item for expected profit on future cargoes is 4,600,000 *livres*. If this document is examined item by item, it is impossible to conclude that forced liquidation would have left a profit. On the other hand, there was sufficient value in the assets to justify the attempt to keep the company going.

⁷³ A. N., T 38³, J. Bourdieu to B. Huber, Apr. 20, 1790. Orders to wind up the Company's affairs went out to India in Oct. 1790. See A. N., AJ¹ 235, French E. I. Co.'s letters to Mocha, Mahé, and Bengal Oct. 10, 1790.

⁷⁴ This affair is the subject of a work by A. Mathiez, *Un procès de corruption sous la Terreur: l'affaire de la Compagnie des Indes* (Paris, 1920).

⁷⁵ A. N., T 38³, Bourdieu-Huber correspondence, especially B.'s letters, Mar. 9, July 23, Aug. 13, Sept. (undated) 1790, Jan. 14, 1791, and H.'s letter, Oct. 14, 1790.

of directors.⁷⁶ Bourdieu spent the summer regaling Huber with tales of the iniquities of Bérard who, according to Bourdieu, was directly responsible for losses of four million *livres* and had shared part of Charles Herries & Co.'s annual profit of £20,000 on the French company's business. In mid-October, Bourdieu's hopes rose when Huber finally became one of the managing board of the newly reorganized French company. On November 7, 1790 Bourdieu wrote happily to Huber: "I should doubt whether C[harles] H[erries] will make any application to you, though there is no saying what Scotch modesty may do."⁷⁷

During these weeks Bérard fell from power, after trying desperately to cover up some of his former transactions, for Bourdieu wrote again to Huber on December 31:

The story of the burning of the Company's Ledger was a great topic of conversation today upon Change. Some of the most respectable foreigners who are over here for our sales are of opinion that there must have been some false entries which had not passed through the journal.⁷⁸

No sooner had Bourdieu regained the London agency than he was busy reviving the scheme for a treaty between the French and English companies. To his mind this would involve a complete reorganization of the French company on entirely new lines. Meanwhile he was pressing on with the ordinary business of the agency. He sent to Paris information about the English East India ships then on the market. He personally visited the manager of the Liverpool Copper Company whose account of former dealings with the French through Herries led him to suspect that Charles Herries & Co. had held the French remittances for copper in their hands for an inordinate length of time. At Bourdieu's request, Pascoe Grenfell, now a director of the Royal Exchange Company and

⁷⁶ Presumably Walter Boyd, brought in because of his connection with the Hopes of Amsterdam. See A. N., T 38³, Bourdieu to Huber, Aug. 13, 1790. *Re* Boyd's later importance in English finance, see H. Furber, *Henry Dundas*, p. 157.

⁷⁷ A. N., T 38³, Bourdieu to Huber, Nov. 7, 1790.

⁷⁸ *Ibid.* Bourdieu to Huber, Dec. 31, 1790.

one of the managers of the Liverpool Copper Company, went to Paris in March 1791 accompanied by Mr. Dawes of the banking house of Crofts "in partnership with our friend Mr. Devaynes the India Director, now Deputy-Chairman."⁷⁹

Behind all this activity was Bourdieu's desire to take advantage of the extraordinary opportunity afforded to the French company by the economic stringency in India during Lord Cornwallis' war with Tipu Sultan. Huber received in one of Bourdieu's letters on this subject a most illuminating commentary on the actual situation in India. Nowhere else is to be found so succinct an exposition of the way in which the English East India Company by embarking on a policy of war and conquest enabled private individuals of all nationalities to profit by its own difficulties. Having alluded in an earlier letter to the huge profits recently made on shipments of silver to India, Bourdieu later wrote:

There never was a time so propitious to a French Company to trade to India as the present. Our war with Tippoo has absorbed and will absorb every shilling we can raise in India, not only for the present, but, even admitting a peace for some time to come, to repay the borrowed money — our Company's investments will therefore for some time to come be very short for want of means to purchase goods — it is already said, no investment to signify will come from the Coast and that they will fall extremely short from Bengal where the Company are borrowing all the money they can at a most enormous interest. You that can borrow at 4 per cent would make golden voyages by carrying cash out; it would command the choicest goods there cheap and the diminished importations here of our Company must in course procure you great prices for them in Europe.⁸⁰

Francis Baring's election as deputy-chairman of the English company made Bourdieu's plans even more practicable, but, as in 1785-86, developments across the Channel intervened to thwart all hopes of an arrangement between the two companies.⁸¹ After Huber succumbed to an attack upon his policy

⁷⁹ *Ibid.*, Bourdieu to Huber, Feb. 4, 11, Mar. 1, 11, 18, 1791.

⁸⁰ *Ibid.*, Bourdieu to Huber, undated, but internal evidence dates it in the spring of 1791.

⁸¹ *Ibid.*, Bourdieu to Huber, May 31, 1791. "The Deputy-Chairman is an able

in the National Assembly, nearly all prospects of an effective revival of the French company were at an end. It underwent a further reorganization in the autumn of 1791, and valiantly struggled on, sending out an occasional cargo to its bewildered agents in India who continued to do the best they could until events got the better of them.⁸²

When French Revolutionary principles first seriously hampered commercial dealings at Chandernagore, the French company's agents proposed moving to Calcutta but did not do so until November 1792. Lord Cornwallis, who was horrified at the increasing anarchy in Chandernagore, gave them a warm welcome and a guard of sepoys.⁸³ It is of interest that rumors of war and even war itself caused them not for a moment to feel that all was lost. When war came, they devoted themselves to carrying out orders from home to neutralize their commerce. Luckily for their employers two of their ships, the *Ville de Lorient* and the *Maréchal de Duras*, arrived safely in Philadelphia and New York.⁸⁴ The French company's own plan was to ship India goods on American ships to New England ports under a special mark APMR but the Bengal agents preferred to use Danish ships.⁸⁵ They, together with the

man whom you most likely know—he was in the Direction whilst M. Perier was here and a friend to the Treaty. He is besides a Minister's Man, who will do as directed from above. We are, besides, on a good footing with him."

⁸² *Ibid.*, Samuel Chollet to Huber, Apr. 15, 1791, Thomas Raikes to Huber, May 24, 1791. Chollet in a letter of Apr. 19, 1791 offered Huber a job in Carolina with Chollet's nephew who managed Bourdieu, Chollet & Bordieu's American house; cf. AJ¹ 238, French E. I. Co. to Charles Herries & Co., Sept. 1, 1791.

⁸³ A. N., AJ¹ 353, Bengal agents to French E. I. Co., Mar. 10, 1791, Nov. 15, 1792; see also Marguérite V. Labernadie, *La Revolution et les établissements français dans l'Inde* (Paris, 1930).

⁸⁴ A. N., AJ¹ 239, French E. I. Co. to John Swanwick merchant at Philadelphia, Dec. 1, 1793. Order to unfit and sell the *Ville de Lorient* and hold her cargo for higher prices in the American market. *Ibid.*, French E. I. Co. to Charles Herries & Co., Oct. 4, 1793, refers to the *Duras'* arrival in New York.

⁸⁵ A. N., AJ¹ 353, French E. I. Co. to Bengal agents, Feb. 22, 1793. They had earlier used an American ship to take China goods to Mauritius. See A. N., AJ¹ 238, French E. I. Co. to Charles Herries & Co., Jan. 13, 1791, re shipment Canton-Port Louis per the *Massachusetts*, Capt. Carpenter. AJ¹ 353 has an invoice of goods sent to Europe in 1794 by the Danish ship, *La Juliana*, belonging to Duntzfeld & Co.

agents of Rabaud & Co., and Senn Bidermann & Co., moved to Serampore on the outbreak of hostilities from which place they could deal clandestinely with the agency house of Ferguson & Fairlie.⁸⁶ Neither abroad nor at home did the war totally extinguish the French company. The last recorded *délibération* of its agents in Bengal took place September 18, 1795, and, even as it lay at death's door during the Terror, its directors attempted to keep up their correspondence with their London and Cadiz agents by sending letters in care of Zeslin & Son at Basle, and Luc Durazzo at Genoa. No one then believed the war would be one of long duration, that great struggle between the two nations which Vergennes had foreseen.⁸⁷

When set beside the achievements of the French East India Company, the results of French governmental activity in India after 1783 have an air of unreality. Vergennes and his successors were blind to the true implications of the news reaching them from the East. In a vain attempt to restore French political power and prestige they spent at least 150,000 *livres* more annually on the Indian possessions than they received from them.⁸⁸ The actual situation demanded either more or less. They could either build a great fleet and garrison their Indian possessions as bases from which they could operate to gain control of the Indian Ocean or they could content themselves with having simple trading posts in India. In view of approaching bankruptcy, the first course was impossible and the second too humiliating for a proud nobleman to adopt except as a last resort. Vergennes' policy was therefore peculiarly French. It was logical; it was not over-expensive; and it gave great scope to French scientific genius. He first de-

⁸⁶ A. N., AJ¹ 353, Bengal agents to French E. I. Co., Nov. 20, 1793.

⁸⁷ A. N., AJ¹ 353, "Délibération, Bengal," Sept. 18, 1795; AJ¹ 239, French E. I. Co. to V. Zeslin & Fils, Basle, Apr. 3, 1793, enclosing a letter to Thomas Coutts telling of the arrival of two packets for Coutts on the *Necker* from Francis Lautour at Madras; French E. I. Co. to Luc Durazzo, Genoa, July 2, 1793; AJ¹ 353, Bengal agents to French E. I. Co., Nov. 20, 1793. The agents report all the English think the war will be short.

⁸⁸ A. N., AJ¹ 13, French E. I. Co. to Blondel, Apr. 22, 1789.

voted himself to exploring the *carte du pays*. Naval missions under intelligent officers were to visit all important ports east of the Cape of Good Hope, and, in addition, the possibilities of the route to India through the Red Sea were to be thoroughly tested.

The French government's desire to develop the Red Sea route to the East played an important part in the quarrel between government and company over the proposed agreement with the English East India Company in 1785-86.⁸⁹ Though Vergennes would probably have refused to ratify the agreement in any case, he was especially incensed at the French company's falling in with the English company's hostile views in regard to the Suez route. In the winter of 1784-85, the French and British ambassadors at Constantinople, the redoubtable Comte de Choiseul-Gouffier and Sir Robert Ainslie, were engaged in a bitter struggle over this very issue. Fully aware of this and much alarmed by the conclusion of a treaty in January 1785 between the French agent in Cairo, Truguet, and the leading Egyptian beys, Pitt and Dundas were all the more anxious for an understanding between the French and English companies. They well knew that M. Pérrier and his friends were eager to thwart the plans of two Marseilles merchants, Audibert and Seymandi, who stood ready to exploit the Suez route with a capital of three millions of *livres*. During the summer of 1785 while the British ministers placed no obstacle in the way of the negotiations between the two companies in London, the French company bought off M. Seymandi

⁸⁹ On French interest in the Red Sea route see F. L. Nussbaum, "The Formation of the New East India Company of Calonne," *Am. Hist. Rev.*, XXXVIII, 475-498; F. Charles-Roux, *Autour d'une route: l'Angleterre, l'Isthme de Suez et l'Égypte* (Paris, 1922), chaps. viii-xi; E. Gaudart, ed., *Catalogue des manuscrits des anciennes archives de l'Inde Française* (Paris, 1924-1936), Pondichéry I, doc. 419, Bussy to Vergennes, Dec. 31, 1783, doc. 434, Bussy to Castries, undated, 1784; French-in-India 13, Carmarthen to Ainslie, Aug. 16, 1785; A. N., AJ¹ 12. French E. I. Co. to Boullongne, July 14, 1785, Sept. 13, 1785. Seymandi's *mémoires* are in AJ¹ 357. He intended to send only one venture a year via Suez; it was to be financed with English money from India. Items nos. 65 and 86 in E. I. MSS bought of Karl Zamboni by Cleveland Public Library show 15 Marseilles vessels engaged in E. I. trade before 1785.

by offering him 12,000 *livres* a year as the company's *sous-directeur* at Marseilles, ostensibly to develop a trade through Suez, but in reality to do nothing. Since the French government had been hard at work on the Suez project ever since the conclusion of peace in 1783, these maneuvers and intrigues against it greatly exasperated Vergennes who became more determined than ever not to sanction any agreement between the two East India companies.

With the proposed agreement between the companies out of the way, Vergennes continued his policy of sending naval vessels to the Red Sea, but he could not upset the French company's arrangement with Seymandi. In the spring of 1787, the Comte de Rosily in the frigate *Vénus* arrived at Suez exactly two years after the royal *corvette* *Auguste* had made a similar voyage. Rosily, who reached Cairo and conferred with the French agent in Egypt, Magallon, was far from enthusiastic about the use of the route. He reported Arab hostility to be unrelenting. Arab avidity for *douceurs* so angered him that he considered advising his countrymen at Pondichéry not to send another ship. At Magallon's request, Rosily wrote the Marquis de Castries a strong letter on the folly of sending a frigate into the Red Sea. A *corvette* was quite enough to overawe the natives. In any case, he urged that a company ship and not a naval vessel be sent.⁹⁰ His lack of enthusiasm for the route was shared by the company's chief agent in the East, Moracin, who thought all the trade of Egypt and Asia Minor not worth the trouble of the great East India companies.⁹¹

As a matter of fact, the men on the spot who had to endure the unbearable heat in a treacherous sea then but imperfectly charted found it difficult to fulfill the expectations of statesmen who pored over badly made maps in government offices. The chief consequence of Vergennes' solicitude for the Red

⁹⁰ F. Charles-Roux, *op. cit.*, pp. 181, 241; A. N., Marine, B⁴ 276, Rosily to Castries, Mar. 30, 1787; Nov. 25, 1787.

⁹¹ A. N., AJ¹ 39, Moracin to French E. I. Co., Aug. 28, 1788.

Sea route in these years was a revival of British interest in its possibilities as a route for dispatches. As far as commerce was concerned, it appears to have been used only once. In the season of 1788/89, the French company finally bestirred itself to make the experiment of shipping some India goods home via Suez. Possibly the French India directors were aroused by the formation in 1787 of a *Société de la Mer Rouge* by the irrepressible Comte Charles de Proli and other adventurous spirits who had been concerned in the defunct Imperial East India Company of Trieste. These gentlemen then proposed sending out ships under Tuscan or Sardinian flags freighted by Guy, Cousins & Co. of Marseilles. Although they appear never to have gone farther than outfitting one or two ships for sea, their prospectus caused some perturbation to M. Seymandi.⁹² Early in 1788, the French company's ship *La Louise Julie* left Pondichéry for Mocha with Bengal piece goods worth \$85,000. Presumably most of the Bengal goods were to be converted into coffee destined for Suez. For some reason *La Louise Julie* never went beyond Mocha.⁹³ It was the *Prince de Condé*, formerly the *Hussar*, which at last reached Suez in March 1789. She had left India for Mocha with lead and silver valued at 100,000 rupees. From her, Magallon at Cairo received a cargo of Mocha coffee and a few bales of Pondichéry piece goods. There is no record of Magallon's disposal of this cargo, but an invoice for 130 bales of Yemen coffee sent by him to France from Cairo in August 1789 must represent some of it. Though the company professed to Magallon an ardent wish to send an annual ship, the voyage of the *Prince de Condé* seems never to have been repeated.⁹⁴

⁹² A. N., AJ¹ 357, Seymandi to French E. I. Co., Sept. 2, 1787; AJ¹ 13, French E. I. Co. to Lambert, Jan. 31, 1788. Among the papers of the Comte de Proli in A. N., T 938 are: "Délibérations du Comité de la Société de la Mer Rouge," Aug. 14, 1787, and a paper showing that a ship *Zephyr*, Capt. Larcher, was fitted out in Oct. 1787, but never sailed.

⁹³ A. N., AJ¹ 306, and 307, invoices of cargoes of *La Louise Julie*.

⁹⁴ A. N., AJ¹ 307, invoices, AJ¹ 237, French E. I. Co. to Charles Herries & Co., Oct. 20, 1788 re insurance Mocha to Suez; to Capt. Gantheaume of *Prince de Condé*, May 20, 1789; AJ¹ 235, to Gantheaume July 11, 1789 and to Ma-

The plans of Vergennes and Castries in regard to the Red Sea were but one part of a well-conceived plan to reassert French prestige all over the East. French naval officers were particularly anxious to possess accurate charts of the China Seas and Persian Gulf, for the Dutch guarded their charts as state secrets and the British, though more complaisant, kept back much valuable hydrographic information.⁹⁵ No less than ten French naval expeditions were sent into the Eastern Seas within the five years 1784-1789, most of them under the able supervision of Admiral D'Entrecasteaux at Pondichéry or Mauritius.

The Comte de Rosily, a year before he went to the Red Sea, carried the French flag into the Persian Gulf where it had not been seen for seventeen years.⁹⁶ He began the work of winning back the affections of the Imam of Muscat whose feelings had been outraged by pirates of French nationality. He called not only at the great ports of the gulf such as Basra and Bushire, but also at little-known ports along the coast of Sind which had never been visited by a French ship. On returning to India, he advised the establishment of French agents at Muscat, Bushire, and Cabassère, a spot six leagues north of Cape Algada on the African coast.

Rosily's work was followed up in the winter of 1786-87 by the Comte de Kergariou-Loemaria in the *Calypso* which cruised in the dominions of the Imam of Muscat and likewise visited every port of importance on the west coast of India from Mangalore to Surat. Kergariou-Loemaria confirmed Rosily's views on the power of the Imam of Muscat who could then raise, in his Arabian and African dominions, an army of one hundred thousand men, forty thousand of whom could be moved on the Imam's own fleet of two "forty-fours," a frigate,

gallon, July 13, 1789; AJ¹ 306, invoice of *Ste. Elizabeth*, privately owned, Cairo to France, 130 bales, 64,071 piastres.

⁹⁵ A. N., Guerre, A¹ 3765, "Mémoire" on Mauritius, Feb. 22, 1786.

⁹⁶ Melville MSS, in my possession, Abs. of Disp. from Bombay 1784-1788, overland dispatch to Sec. Comm. Dec. 1, 1785. Rosily's report of this voyage is in A. N., Marine, B⁴ 276.

and numerous small vessels.⁹⁷ Kergariou-Loemaria strongly supported the recommendations already sent to Europe for the dispatch of a resident to Muscat carrying a present of a ship to the Imam. A year later, the Vicomte de St. Riveul who had come out to succeed D'Entrecasteaux, carried out another reconnaissance of western Indian ports, including Bombay and Goa.⁹⁸ Shortly thereafter, Bolle in the *Chameau* was dispatched to the Cape to report on the Dutch resources available in South Africa.⁹⁹

More important than these expeditions west of Cape Cormorin were those sent to the China Seas. In that region, Richéry in the *Marquis de Castries* carried on an extensive investigation in the season of 1786/87. His work left no important port on the routes to China unvisited. He was quick to realize the immense importance of the Malay ports in the "country" trade of India. Manila, for similar reasons, received a large share of attention, for the French ministers, impressed with the *philosophe* Rayneval's views on the desirability of a trade agreement with the Royal Philippine Company, were eager to have all the information possible about the Philippines. Manila's deplorably weak condition was thought to make it an easy prey for the English in the next war. In the following season 1787/88, Kergariou-Loemaria called at Malacca, Manila, and Canton whence he sent home more extensive reports than those of his predecessors. He was much struck with the activity of the English in the recently opened fur trade with the northwest coast of America, in which an illicit trading-ship from Ostend, the *Lord Loudon*, had now joined.¹⁰⁰ Her advent may have been the result of the continued support of illicit

⁹⁷ A. N., Marine, B⁴ 276. Kergariou-Loemaria to Minister, Dec. 25, 1786, Jan. 3, 1787, June 6, 1787; to D'Entrecasteaux, Mar. 10, 1787.

⁹⁸ A. N., Marine, B⁴ 276. Report on the conduct of St. Riveul, dated Apr. 11, 1790.

⁹⁹ A. N., Marine, B⁴ 280. Papers on Bolle's mission to South Africa.

¹⁰⁰ A. N., Marine, B⁴ 276 and 278. Richéry's report: Malacca, Macao, Penang, Johore, Trengganu, Andamans, Manila; report of Kersauzon, who visited Manila in *La Précieuse* 1786/87; Kergariou-Loemaria's logs, reports, and letters from China 1787/88.

trading schemes by the arch-adventurer, William Bolts, who in 1786 had inveigled Castries into a promise to invest 50,000 *livres* in exploiting the North American fur trade in association with Louis XVI and the French East India Company. The scheme fell through because the French company decided to wait for the report of Lapérouse whose ill-starred voyage of exploration in the Pacific had recently begun. Kergariou-Loemaria acquired all possible information about the so-called "outer" passage to China via the east coast of Borneo and the straits of Sulu. In the following season, the work of exploring the China Seas was carried on by Prévaille in the *Pandore* and by Kersaint in the *Dryade*, both of whom stayed for some time at Manila.¹⁰¹

The reports of these French naval investigations in Eastern waters made impressive reading for the ministers at Paris, but did little more than provide them with geographic and commercial information which they were powerless to use. The only visible result of all this labor was the strengthening of French influence in Cochin-China where the earliest beginnings of the modern French empire in Asia were then being made. The achievements of the French navy in the Indian Ocean afford, however, a significant example of the power and organizing ability still remaining in the *ancien régime*. One cannot read M. Moracin's description of the dispositions of the fleet dated at Pondichéry October 29, 1788 without feeling that the British seamen in India were indeed fortunate in not having to fight during the crisis growing out of the European tension in the autumn of 1787. The French then had, based on Pondichéry and Mauritius, six frigates, six *flûtes*, three *corvettes*, and a handful of smaller ships.¹⁰² The crisis

¹⁰¹ A. N., AJ¹ 7, "Délibérations," Apr. 4, 1786. William Bolts was present at the meeting of May 16, 1786, AJ¹ 12, French E. I. Co. to Castries, May 30, 1786. AJ¹ 13, to Blondel May 15, 1789, regarding the plans of M. Brassière to freight a ship for China and America; Marine, B⁴ 276, Kergariou-Loemaria to Castries, Canton, Nov. 23, 1787; B⁴ 278, log of the *Pandore* (incomplete); report of Kersaint, dated Macao, Dec. 20, 1788.

¹⁰² A. N., Marine, B⁴ 278. Moracin's report, Oct. 29, 1788.

caused feverish military activity in Pondichéry in March 1788 when the French governor, the Comte de Conway, seriously alarmed the governor of Madras by making ready to seize Trincomali.¹⁰³ The British depended entirely on their superiority in merchant ships. In September 1789 the arrival of Admiral Cornwallis with a squadron from Europe redressed the balance in their favor by a very narrow margin.¹⁰⁴ The Admiralty's neglect of the Eastern seas during these years provided a most shameful contrast with French preparedness and efficiency.

In the decade before the outbreak of the Revolutionary wars, no French naval preparations could make up for the essential weaknesses of the French position in India. Knowing the difficulties of their government at home, the French governors in India soon came to the conclusion that reassertion of military power was out of the question. Owing to disputes concerning the interpretation of the peace treaty, the French settlements in India were not actually restored until the beginning of 1785.¹⁰⁵ Fortunately Bussy, shortly before he died, had disabused the Marquis de Castries of the absurd idea of placing the military base of French power on the Malabar coast either at or near Mahé.¹⁰⁶ The Vicomte de Souillac, on coming from Mauritius in September 1785 to look over the ground, advised a policy of persistent intrigue at the courts of the Marathas, the Nizam, and Tipu, together with a determined effort of refortify Pondichéry to accommodate a

¹⁰³ Melville MSS, in my possession. A. Campbell, Governor of Madras, to Dundas, Mar. 30, 1788; also Campbell to Sec. Comm. Mar. 1, 1788. A. N., Marine, B⁴ 276. Report on the conduct of St. Riveul describes naval preparations at Pondichéry.

¹⁰⁴ A. N., Marine, B⁴ 280, McNamara to Minister of Marine, Sept. 1789; Cornwallis had 1 "sixty-four," 2 frigates, and 2 *corvettes*. McNamara had 4 frigates and 2 *corvettes* at Pondichéry or Mauritius. McNamara objected to the presence of a British "sixty-four" as contrary to the treaty of 1783.

¹⁰⁵ Melville MSS, in my possession. Abs. of Disp. from Madras, Mil. and Pol. Letter, May 20, 1785. Mahé and Chandernagore were not formally restored until the summer of 1785. Abs. from Bengal, Macpherson to Court of Directors, July 30, 1785; Abs. from Bombay, Bombay secret letter of Oct. 4, 1785.

¹⁰⁶ A. N., Guerre, A¹ 3738, Castries to Ségur, Oct. 5, 1783; Gaudart, *op cit.*, Pondichéry I, doc. 430, Bussy to Castries Aug. 4, 1784.

European garrison of 4,000 men. He considered the other settlements useless for military purposes and admitted that Pondichéry was incapable of carrying on an offensive campaign with or without such assistance as Tipu might be able to give.¹⁰⁷ Although Tipu was much relied on in Paris, the French officers in India were at one with the English company's servants in considering him vindictive, cruel, and totally unreliable. Through Piveron de Morlat, the agent who had had most to do with him after Hyder's death, the French governors continued to tell Tipu of Louis XVI's great plans for the next war. Neither party believed the other, and Tipu went his own way hating all Europeans but ready to use the French for whatever they were worth.¹⁰⁸ Souillac's policy was followed by his subordinates and successors until the summer of 1788, when the French government's representatives at home and in India came simultaneously to the conclusion that assertion of military power in India was thenceforth futile and over-expensive. France could best maintain her position in the East in a time of great difficulty at home by drawing all her military forces in on Mauritius, frankly recognizing that she really possessed nothing but trading posts in India.

A policy of evacuation of the French Indian settlements was envisaged in the dispatches sent to Pondichéry in May 1788; but the actual orders were not then sent. On September 21, 1788, the minister of the navy, Luzerne, laid the complete plan for the military withdrawal from India before Louis XVI. He then expressed quite frankly his belief in the overwhelming superiority of the English. He was convinced that Britain's Indian conquests furnished her with "territorial revenues out of all proportion with those of any other nation in Europe." After painting a formidable picture of British military power in India, he held out no hope that all the Indian powers would

¹⁰⁷ A. N., Guerre, A¹ 3765, Souillac to Castries Sept. 15, 1785.

¹⁰⁸ A. N., Guerre, A¹ 3765, "Correspondance de M. Piveron de Morlat avec Tippoo."

unite against Britain in the next war. He foresaw nothing but immediate surrender of all the French settlements. Having observed that in the American War the forces which won victories for France in India were based on Mauritius, he concluded: "Such are, Sire, the military and financial considerations which unite to urge you not to depart under any circumstances from the decisions you have adopted with regard to the evacuation of India."¹⁰⁹ On the same day, the king approved this plan for submission to the *Conseil d'Etat* as his irrevocable policy.

Neither king nor minister then knew that, while they were deliberating in Paris, the Comte de Conway in Pondichéry was drafting a dispatch which contained the following significant passages:

It seems to me it is high time for us to disabuse ourselves of our mythical views of India and to think of our possessions in this part of the world in their true light. All the territories that the King holds in India do not equal a quarter of the dominions of the Prince of Liège . . . Tipu neither can nor will do us any good and his alliance would ruin us in India. . . I shall not refrain from repeating: we have here only trading posts. All the money spent by the King on troops and establishments serves only to enrich our rivals because it is through them that we live. . . I had hoped, *monseigneur*, that in being guided by your wise instructions, I could establish order here among all classes. I was mistaken. Justice is a scandal; there is not a member of council who knows the law or who respects it. All these councillors, most of whom were brought up here have innumerable relatives and friends, and the rewards of corruption are regarded by them as rights of which it would be unjust to deprive them. . . I know only one remedy, *monseigneur*, which will prevent the King from being wronged here; it is not to spend in India more than the amount of the local revenue which is about enough to ensure the safety of trade. I know this truth will displease the charlatans and speculators but I have been sent here to serve the King and not to betray him.¹¹⁰

¹⁰⁹ A. N., Guerre, A¹ 3765, Luzerne to the king, Sept. 21, 1788. This policy is strongly advised as the only possible one in a pamphlet published in 1790. *De L'Inde ou Reflexions sur les moyens que doit employer la France relativement à ses possessions en Asie.*

¹¹⁰ A. N., Guerre, A¹ 3765, Conway to Luzerne [?], Sept. 30, 1788.

These pessimistic dispatches were written while Tipu Sultan's three ambassadors were still in France on their famous visit to Louis XVI. No more unfortunate moment could have been chosen for this mission which had been talked of ever since the peace of 1783. Increasing frigidity on the part of the French representatives in India in 1786/87 was not sufficient to dissuade Tipu from the idea. They could not openly oppose a project which Tipu was quite right in thinking wholly acceptable to a king who had assiduously sought his friendship. The arrival of Tipu's representatives in Paris in 1788 caused the French government great embarrassment.¹¹¹ French ambassadors and ministers at foreign courts were hard put to it explaining the meaninglessness of the visit. No harm was done. The visit passed off nicely with the usual exchanges of compliments and gifts, but when Mohammed Dervish Khan, Akbar Ali Khan, and Osman Khan embarked for their return voyage in October 1788, everyone concerned with them heaved a sigh of relief except McNamara, the naval commander responsible for their safe delivery at Pondichéry. Unaware that the same ship was carrying out the orders for the evacuation of India, they asked naïvely, "When does the war begin?" McNamara's Irish gifts of conversation were much taxed during the voyage in making up plausible stories of what would happen when the war finally did break out. The ambassadors added little to the joy of the occasion when they suggested an occupation of Pondichéry by Tipu as the best possible solution of French difficulties. McNamara's patience was almost exhausted by the time the ship reached Port Louis, for he wrote the minister of the navy, "The day I am completely rid of them will be, I assure you, *Monseigneur*, a happy one for me."¹¹² When that day came in May 1789, McNamara

¹¹¹ O. Browning, ed., *Despatches from Paris 1784-90* (London, 1909), I, 277, Dorset to Carmarthen Dec. 27, 1787; II, 7, Dorset to Carmarthen Jan. 6, 1788; II, 88, Dorset to Carmarthen Aug. 14, 1788; II, 92, Hailes to Carmarthen Aug. 21, 1788. French-in-India, 17, contains an account of the arrival of the embassy at Toulon June 14, 1788.

¹¹² A. N., Marine, B⁴ 280, McNamara to Minister, Port Louis, Mar. 17, 1789;

declined a pressing invitation to accompany the ambassadors and the busts of Louis XVI and Marie Antoinette on the last lap of their journey to Seringapatam.

After the execution of the orders for the evacuation of India in the summer of 1789, Vergennes' dreams of upholding French power and prestige east of the Cape of Good Hope lay entirely in ruins. Tipu, on hearing of his emissaries' failure in Paris, promptly had two of them put to death. When he ultimately learned of the French orders for evacuation, his anger knew no bounds.¹¹³ British governors at first could not believe the reports about the forthcoming withdrawals of French troops. The actual departure of the soldiers both convinced and surprised them. Lord Cornwallis wrote home in November 1789: "I think from the removal of the French, we have every reason to look forward to a long continuance of peace," but Dundas, who had learned from Paris of the evacuation policy, was a better prophet.¹¹⁴ In the previous April, he had already written Cornwallis that British power would prove "too strongly riveted" for the French when their "domestic situation" enabled them again to pay attention to India.

From many points of view it was a misfortune for France ever to have striven for political power and prestige in India after the days of Dupleix. This story of Anglo-French relations in India affairs after 1783 reveals the existence of "rivets" of British power unappreciated and largely unknown to the great majority of Englishmen and Frenchmen. Utterly unable to carry on an East India trade without British assistance, completely powerless to reassert political dominance and military prestige with the resources she could then muster, France's only opportunity in India lay in turning Britain's increasing

see also McNamara's letters, dated Brest, Oct. 22, 1788, and Pondichéry, June 12, July 30, 1789.

¹¹³ A. N., Guerre, B⁴ 62, Anonymous letter from Pondichéry dated Oct. 8, 1789. About 300 Europeans and 500 sepoys, and thirty pieces of artillery were left at Pondichéry for police purposes.

¹¹⁴ C. Ross, ed., *Cornwallis Correspondence* I, 449, 550; cf. N.L.S. Melville

responsibilities in India to her own advantage. Bourdieu, with his advice to make "golden" voyages during Britain's war with Tipu, had a truer grasp of realities than Vergennes. War and revolution intervened to make any fulfillment of Bourdieu's plans impossible. When the "domestic situation" in France once more enabled French statesmen to think of India, they never thought of the commercial advantages that could be obtained in India without conquest. Napoleonic France thought only of Vergennes' old dream of re-creating by force of arms a French Indian empire which really never had existed and was destined never to exist.

CHAPTER III

JOHN COMPANY AND JAN COMPAGNIE

IN THE AUTUMN of 1784, Isaac Titsingh, chief of the Dutch East India Company's factory in Japan, left Nagasaki for Bengal. He carried with him to his new post the collection of Japanese books and manuscripts which was his most prized possession. In the chief's bungalow at the Dutch settlement of Chinsura on the Hugli, he hoped to continue his work of bringing to the western world a knowledge of Japanese history, literature, and institutions.¹ He also hoped to better his own financial condition, for Bengal was a more lucrative post than Japan. It was not his fault that he came too late, that circumstances beyond his control deprived him of opportunities for emolument which had been open to his predecessors.

In the four years prior to 1780, Titsingh's predecessor, Johannes Matthias Ross, had made at least half a million rupees out of his private dealings with the English East India Company's servants.² In the 1760's and 1770's there were still "country" ships engaged in the coastal trade of India flying the Dutch flag. These small ships helped to market the East Indian wares brought from Batavia in the Dutch company's ships. As British power increased, not only did the number of such "country" ships decline, but it became more and more impossible for the Dutch to collect their return investment of piece goods, opium, and saltpeter without British assistance.³ By 1774 the Dutch chief in Bengal, who was naturally responsible for the lion's share of that investment,

¹ C. R. Boxer, *Jan Compagnie in Japan 1600-1817* (The Hague, 1936), pp. 143-148.

² A. R. Falck MSS B 10, doc. entitled "Staatkundigt en beredeniert betoog" re Dutch Co.'s affairs in Bengal 1789.

³ A.R.O.B., Bengale 1776, I; memorial sent to Hastings by the Dutch, Apr. 1775; cf. 1776, II; 1778, II; and 1779, I, lists of private ships with Dutch passes in the Ganges 1775, 10 ships, 1777 and 1778, 5 or 6 ships annually.

could not move hand or foot independently of the British, and did not desire to do so because of the private profits arising from transactions with them.

In his dealings with the British, Ross tapped three great sources of income: bills of exchange, opium contracts, and piece-goods contracts. From these sources alone, he could easily build a fortune with the connivance of Warren Hastings. At that period the Dutch East India Company in Europe made a habit of securing bills of exchange on India through their London agents Messrs. Pye-Rich & Wilkieson who also had a house in Amsterdam. Such bills were also acquired through the great Amsterdam banking-house of Hope & Co. and from the less well-known house of Melvin & Wolff.⁴ On the arrival of these bills in India, Ross collected the actual funds from the English East India Company's servants who wished to make remittances secretly to England through the Dutch company. On these transactions, Ross took private commissions. It was his habit to receive cash from British subjects giving bonds in return which could later be exchanged for the Dutch company's bills on Europe. He could thereby manipulate the actual cash to his own advantage in Bengal until it became necessary to invest it in India goods on the Dutch company's behalf. He therefore constantly had funds in hand which were bringing him a private return. In other words, he could sell British subjects 6 per cent bonds, earn at least 9 per cent on the money for a considerable period of time, and pocket 3 per cent for himself.⁵

A glance at the Dutch company's lists of bills of exchange shows that nearly all the well-known Anglo-Indians of the day remitted some of their money through Dutch channels. Hastings' name appears only once. On November 7, 1775 he bought, through his attorney, Tyso Saul Hancock, Dutch com-

⁴ A. R. K. A. 10,212 "Contracten over het trekken van wissels uit Bengalen 1773-1785." If all these bills were paid, at least 7,750,000 *sicca* rupees, or approximately £775,000 were remitted to Europe in this way. There is no doubt that nearly all these bills represent British remittances.

⁵ A. R. Falck MSS B 10 "Staatkundigt en beredeniert betoog."

pany bills of exchange worth roughly £15,000 payable to Woodman, Sykes & Waller in London. The name of Richard Barwell, however, appears constantly, and there is some ground for thinking that Barwell, Hastings' close friend and only supporter in the Bengal Council at the beginning of the struggle with Philip Francis, made such purchases for Hastings both under his own and under attorneys' names.⁶ On many bills, groups of three or four names appear together, a practice which seems to indicate that such groups actually represent large numbers of small remittances by men whose names do not appear. These men would receive their proportionate share of the payment ultimately made in London. Among those who remitted frequently under their own names were George Vansittart, salt contractor, Archibald Campbell, later Governor of Madras, Sweney Tone, later a director of the East India Company, William Paxton, opium contractor, and Charles Grant, future Chairman of the Court of Directors and prominent leader in the Evangelical movement.⁷ As far as can be ascertained, Philip Francis did no business with the Dutch company, but in 1777 his name together with that of Hastings appeared on a bill of exchange worth about £17,300 sent to Europe on account of the estate of Robert Clive.⁸ The lists of the Dutch company's bills of exchange also show that Ross assisted British subjects to ship gold secretly to Europe. On these lists is a receipt for 785 gold Farukabad rupees paid in by Lieutenant Colonel John Upton for shipment to Rotterdam for account of Thomas Coutt's banking-house in London.⁹

⁶ A. R. O. B., Bengale 1776, II, lists of bills of exchange Nov. 7, 1775. Barwell then remitted 13 bills totaling 257,000 *sicca* rupees Nov. 7, 1775, and his name is easily found on many bill lists in the A. R. O. B., Bengale for the late 1770's, and in K. A. 10,212.

⁷ Bill lists for the 1770's in A. R. O. B., Bengale and in A. R. K. A. 10,212. Richard Barwell, David Killican, Evan Law, and Charles Grant sometimes formed a group. Another consisted of Gen. Sir Robt. Barker, James Lawrell, Gilbert Ironside, Gabriel Harper, and Robert Potter. Others found singly are: General Giles Stibbert, Robert Palk, Governor of Madras, and Nathaniel Brassey Halhed. Of Hastings' council, Clavering, Wheler, and Barwell appear.

⁸ A. R. O. B., Bengale 1778, II, bill list Oct. 1777.

⁹ *Ibid.*, 1780, I, receipt dated Nov. 8, 1779.

In comparison to bills of exchange, opium contracts yielded much larger profits to the servants of the Dutch company in Bengal. The Dutch company then maintained a factory at Patna for the collection of opium. Its servants there were gradually forced to deal only through British opium contractors who were all-powerful in the management of the Bengal government's monopoly of opium.¹⁰ The Dutch servants at Patna made huge profits of their own before shipping the opium down to Chinsura. On arrival of the opium at Chinsura, the Dutch chief in Bengal had his own opportunity to profit.¹¹ As soon as he became chief, Ross began to condemn much of the opium as unfit for shipment to Batavia. He later sent the condemned chests to Calcutta for sale at public auction and pocketed the difference between the cost price and the sale price. Not only did he thus gain about a hundred rupees per chest, but he also charged the Dutch company a much higher price than actual cost for the chests of opium actually shipped to Batavia.¹² There is hardly a doubt that with his own profits he financed shipments of opium secretly to Malay ports in British "country" ships.

In collecting an investment of piece goods in Bengal, the Dutch company had always had more difficulty than in gathering opium. In the opium business, agreement with one or two English contractors was all that was needed. In the business of getting in cloths from the *aurungs* or weaving districts, much more organization was demanded. In earlier days, the Dutch company had throughout Bengal its own Indian *gumashtas* or agents who made advances to the weavers in February and collected the cloths in October.¹³ When British power grew and Dutch funds for investment shrank after 1765, the Dutch company reduced the number of its own *gumashtas* and began

¹⁰ A. R. O. B., Bengale 1776, I, memorial of Dutch sent to Hastings Apr. 1775. "Private merchants have intruded themselves forcibly into the opium trade."

¹¹ J. A. Sillem, *Dirk van Hogendorp* (Amsterdam, 1890), pp. 29 ff.

¹² A. R. Falck MSS B 10, "Staatkundigt en beredeniert betoog."

¹³ A. R. O. B., Bengale 1776, I, memorial of the Dutch sent to Hastings Apr. 1775. Account of decline of Dutch trade in the *aurungs* since 1758.

to depend more and more on clandestine agreements with English East India Company servants. In these dealings the Dutch chief played an essential part because, even in the 1770's, the English company's servants did not dare gather cloths openly for the Dutch. All these transactions were carried on secretly under the names of Indian *gumashtas* who sold cloths to the Dutch chief in his private capacity. On these contracts, Ross was making some profit after 1774, and was especially involved with the English in the two *aurungs* of Malda and Birbhum. These are of some interest to us for it was at Malda that young Charles Grant filled his first important post in the English East India Company's service. Thomas Henchman, Grant's predecessor as resident at Malda, had been in close association with Ross, and Grant himself had no scruples about continuing such business. He was happily and innocently engaged in it when war with the Dutch in Europe suddenly interrupted Anglo-Dutch coöperation in Bengal.¹⁴

To Ross, who was said to be making 3,000 rupees a month out of his dealings with the English, news of war was a bitter blow. To the Dutch East India Company the blow was much more serious, for war meant the confiscation of all the Company's assets in India, not only in Bengal, but at Pulicat, Cochin, and Surat, which were still used as bases for a considerable "country" trade.¹⁵ Ross and the other Dutch servants had, after all, the consolation of not being deprived of their private property. Warren Hastings, who read the war dispatches with mixed feelings, did everything in his power for his old friend. Two days after the surrender of Chinsura he wrote to Ross, offering him the use of a house in Calcutta, and continued:

I have pleased myself with the belief that you will be no sufferer in your own person by what has passed. It will afford me a very

¹⁴ A. R. Falck MSS B 7, "Relaas van het neemen van Chinsura door de Engelschen in 1781."

¹⁵ The Dutch company's assets in Bengal were valued by the British commissioners at 3,500,000 florins, or about 2,700,000 *sicca* rupees. See inventory of captured property in A. R. O. B., Bengale 1788, I.

sensible satisfaction to be assured that my convictions are well founded. You will allow me, however, to share with you in those feelings which I am sure you must suffer for a calamity involving so many of your friends and countrymen. Having discharged the duty of my public character, I hope I may be allowed without a crime to indulge this sentiment in an address to an old acquaintance and friend.¹⁶

When the capture of the account books revealed Ross's outstanding business with the English company's servants in the *aurungs*, Hastings assisted Ross to escape from the interminable legal wrangles that resulted. It was largely due to Hastings' aid that Ross safely escaped to Europe on a Portuguese ship in 1782. In this connection, it is noteworthy that Charles Grant's part in Ross's private transactions was successfully hushed up. According to an anonymous Dutch account of the capture of Chinsura, Grant, as a Company servant, "did not think it well that the affair should come out." In order to keep it quiet, he furnished his cloths at Chinsura through his Indian *sircar* to the English commissioners who accepted them under the Indian name written in the original contract with the Dutch company, and in this way "the matter was kept quiet and was finished."¹⁷ The later publicity came when one Halsey, a contractor at Birbhum who was not an English company servant, refused to honor his contracts after the outbreak of war.¹⁸

In many ways the war merely accelerated processes of decay which had been at work in the Dutch East India Company's affairs for many decades. According to reputable Dutch historians, the Dutch company began steadily to run astern as early as 1736.¹⁹ The Company may be pictured as decaying

¹⁶ A. R. K. A. Uncat. 40.992h, Hastings to Ross July 6, 1781.

¹⁷ A. R. Falck MSS B 7.

¹⁸ An account of this intricate legal wrangle, which was kept up chiefly for the benefit of Sir William Dunkin and other lawyers in Bengal, is in A. R. O. B., Bengale 1788, II.

¹⁹ For a discussion of these authorities, see Clive Day, *The Policy and Administration of the Dutch in Java* (New York, 1904), pp. 71 ff., especially the footnotes.

rapidly on the periphery while the central core, the spice trade, remained relatively untouched. By 1770, Dutch trade in the Persian Gulf was fast becoming negligible.²⁰ The English had made heavy inroads into the sugar and opium trade. The 1770's saw the beginning of an ever more successful attack on Japan copper by European copper.²¹ As Japan copper, next to spices, was the mainstay of Dutch trade with the mainland of India, the war hastened the debacle. Even without an Anglo-Dutch war, it is highly unlikely that Isaac Titsingh could have hoped to match Ross's profits of at least three thousand rupees a month. With the consequences of the war staring him in the face, Titsingh's task was well-nigh impossible. Nevertheless, he set about restoring the Dutch company's affairs and reviving those contacts with the English which Ross had found so profitable.

In the existing circumstances after the war, the restoration of the Dutch East India Company's credit depended on action taken in Europe. This was done through government loans financed directly or indirectly by the States of Holland and the States-General.²² As in England, so many people were interested in maintaining their East India Company in the accustomed form that no one dared to risk drastic changes in its structure. In comparison with the Dutch company, the English company was simplicity itself. Probably no Dutchman really understood the home finances of the Dutch East India Company in their entirety. The Dutch company comprised six *kamers*, each of which was a little company in itself with

²⁰ Fac. Rec., Persia, for the 1760's, *passim*.

²¹ On this point, see A. R. O. B., Souratte 1776. Secret dispatch from Surat to Batavia Dec. 25, 1775. Competition of Swedish and other European copper is also referred to in the A. R. O. B., Bengale, *passim*.

²² In May 1785, the Dutch company's debt was made up as follows: *gelden en recepissen* 4,282,200 florins; *oude obligatiën* 546,099; bonds secured by the States-General 987,000; bonds secured by the States of Holland and West Friesland 22,288,050; other bonds 15,280,000. See Dirk Van Hogendorp, *Stukken Raakende den Tegenwoordigen Toestand der Bataafsche bezittingen in Oost-Indie* (Delft, 1801), pp. 136 ff. The American War doubled the debt. In 1780, the debt stood at 26 millions of florins; in 1785, at 55 millions, and in 1792, at 67 millions.

its own shareholders, directors, and system of accounting. We may best understand their relationship to each other if we think of them as six heirs having differing fractional interests in an undivided estate. Amsterdam had one-half interest, Zeeland one-quarter, and Delft, Rotterdam, Hoorn, and Enkhuizen one-sixteenth each. For nearly two centuries they had gone on managing their estate without ever having a real accounting with one another. In 1784, their books were in an indescribable state of confusion.²³ The small *kamers* were heavily in debt to the Amsterdam *kamer*; the Zeeland *kamer*'s credit was at a low ebb although it was more solvent than the other four; and the Amsterdam *kamer* was heavily involved with private creditors as well as with the States of Holland.²⁴ The only semblance of unity came from the fact that Amsterdam had become the dominant *kamer* which controlled the governing "committee of seventeen" directors drawn from all the *kamers*. In the name of these famous *Heeren XVII* the Dutch company's colonial empire was governed.²⁵ To them, the governor-general at Batavia was responsible. They represented the interests of the hundreds of Dutchmen who were determined that the bills of exchange representing money paid into the Company's treasuries in the East should be promptly paid in Amsterdam.

When Titsingh arrived in Bengal late in September 1785, he found that Gregorius Herklots, Ross's second in command, had been hard at work negotiating with the British for the past six months. After hoisting the Dutch flag in the fort at

²³ A. R. K. A. 10,464; 10,471; 10,476; 10,457; 10,465; ledgers and journals of the *opperboekhouder* in Amsterdam. In the same series, see also the ledgers and journals of the smaller *kamers*.

²⁴ A. R. K. A. 10,242G, "Generale Staten van verhandelde goederen en uitstande schulden en onverkochte goederen van de verschillende kamers" (c. 1788).

²⁵ Regarding the functioning of the Seventeen and their associates and advisers, see, G. C. Klerk de Reus, *Geschichtlicher Ueberblick der Administrativen, Rechtlichen und Finanziellen Entwicklung der Niederländisch-Ostendischen Compagnie* (The Hague, 1894), pp. 39-46. The Dutch company's finances are best discussed in J. W. M. F. Mansvelt, *Rechtsform en Geldelijk Beheer bij de Oost-Indische Compagnie* (Amsterdam, 1922).

Chinsura on March 9, 1785, Herklots had at once begun the work of claiming for the Dutch company all the rights, privileges, and immunities to which it was entitled under the *firman*s and *sanads* granted by the Moguls.²⁶ As the British government under Sir John Macpherson was determined that the Dutch should not regain the position they had held before the war, a prolonged struggle ensued. All the Dutch appeals to their Mogul *firman*s were brushed aside. The Dutch commissioners who bargained with Macpherson at Calcutta throughout the summer succeeded in attacking the British plans for complete control of commerce and navigation on the Hugli on only two matters of vital importance. They were able to maintain a right of free entry for their Company's ships at Chinsura and to force Macpherson to allow the Dutch chief to issue *dastaks* or passes protecting goods coming down the river on the Dutch company's behalf. On the larger points at issue, the British would not yield. The Dutch were obliged to conform to the new customs regulations governing the trade between the settlements of the foreign East India companies and the interior of Bengal. Even though Dutch ships could sail up to Chinsura without being molested except on suspicion of carrying arms or contraband, full manifests had to be available for British inspection.²⁷ The fiction that four European nations traded on equal terms in Bengal under Mogul *firman*s was virtually abandoned. Macpherson was thoroughly aroused when he discovered that the Dutch had written, in a letter to the puppet nawab of Bengal at Murshidabad: "It is highly necessary that we should know who is invested with the power of governing this country." At once, Macpherson and his council wrote to Chinsura: "As representatives of [the Mogul's] *Dewan*, we possess such part

²⁶ A. R. K. A. Uncat. 40, Macpherson to Herklots, Mar. 9, 1785.

²⁷ A. R. K. A. Uncat. 40.991q. Correspondence between Macpherson and the Dutch Commissioners, Eilbracht and Van Citters, 1785. *Dastaks* had been a fertile source of abuse in the past; Macpherson's revised customs regulations of Oct. 10, 1785 hedged them about with many precautions to prevent smuggling.

of the right of the government as is inherent in that character"—and there was no mistaking their meaning.²⁸

Though determined to maintain British control of Bengal commerce and navigation, Macpherson was disposed to be liberal in those matters which meant so much to the private affairs of the Dutch chief. He belonged to the Hastings school in that respect. Nothing could be more accommodating than his language on some of these points. What he called his "liberal sentiments on the trade of India" were reflected again and again in his letters to Dutch chiefs and commissioners. He wanted to encourage the Dutch to import specie into Bengal. On September 8, 1785, he wrote:

The weaver who works for your Company contributes equally to pay the revenue with the weaver who works for our own Board of Trade, and perhaps more so, and an extension to the sale of Bengal manufactures is more profitable to Great Britain than a monopoly in the purchase of such goods as would restrain the manufacture.²⁹

As a friend of many of those who had greatly profited by the existing system of monopoly in salt, opium, and saltpeter, Macpherson wished to promote the opium and saltpeter trade in every possible way. He privately offered the Dutch every facility for shipping opium to Batavia. He clearly saw that the English company would benefit by selling opium to the Dutch company to be paid for in China and not in Bengal. Herklots' inability to bind the Dutch governor-general at Batavia to pay the English company large sums in silver prevented this private offer from being accepted. Macpherson did his best to give the Dutch as large allowances as possible of opium and saltpeter.³⁰

In the business of collecting an investment of piece goods, the Dutch met with far more opposition. Titsingh arrived in

²⁸ *Ibid.*, letters to the nawab, of Aug. 15, 1785; Macpherson's letter of Sept. 8, 1785. Cf. a memorial by F. W. Boers in A. R. Van Hogendorp MSS (1913), no. 143, c. 1784. Boers believed the English wished to give a death blow to the Dutch in India.

²⁹ A. R. K. A. Uncat. 40.9919, Macpherson to Dutch Commissioners Sept. 8, 1785; cf. letter of May 19, 1785.

³⁰ A. R. K. A. Uncat. 40, Macpherson-Herklots letters Mar.-July 1785.

the lower Hugli and was met by the Dutch commissioners at Calcutta when the dispute about piece goods was at its height. The war had swept the *gumashtas* of the foreign East India companies out of Bengal. Macpherson wished to prevent their return on anything like equal terms with the *gumashtas* of the English company. Under such circumstances, the *gumashtas* of the English company sensed their power and looked upon the *gumashtas* newly employed by the Dutch chief with the utmost scorn. In the Malda district, where Charles Grant was still resident, three *gumashtas* sent out by the Dutch reported that the English company's *gumashtas* threatened to burn down their places of business within eight days. They also alleged that, on Grant's orders, six sepoys under a *havildar* marched into the villages to deprive them of facilities for washing the Dutch company's cloths and to set spies upon the weavers. Confronted with these accusations, Grant denied that he had done more than publish the English company's weaving regulations of 1775 and 1782. These regulations forbade the weaving of cloth for foreign companies by English company weavers. Whatever be the truth of the matter, it is clear that the English company's *gumashtas* possessed powers of intimidation which other *gumashtas* could not use.³¹

Once settled at Chinsura, Titsingh decided to leave the opium, saltpeter, and piece-goods business much as it was. He would not stoop to Ross's level in manipulating opium, saltpeter, and piece-goods contracts. Within a month of Titsingh's arrival, Macpherson, forced by orders from home, limited the Dutch annual allowance of opium to 700 chests and that of saltpeter to 23,000 *maunds*.³² In piece goods, Titsingh was obliged to do his business through a British contractor in Calcutta who had the means of getting hold of

³¹ A. R. K. A. Uncat. 40.991q. Translation of letter from *gumashtas* at Badal, Jaggernathpore, and Malda, dated Aug. 6, 1785; Charles Grant to Wm. Barton, President of the Board of Trade in Bengal, undated, enclosed in Macpherson to Dutch Commissioners Nov. 14, 1785.

³² A. R. K. A. Uncat. 40, Macpherson to Titsingh, Mar. 1786.

cloths not earmarked for the English company's investment.³³

Under these circumstances, Titsingh devoted most of his attention to gathering in money in return for the bonds and bills of exchange of the Dutch company. Confidently expecting at least one or two shipments of silver from Europe, he was able to market a considerable amount of bonds among Indians and Europeans resident in Calcutta. Sale of bills of exchange to British subjects who wished to remit fortunes to Europe was much more difficult. The fright and concern caused by Pitt's India Act among the British community in Bengal had not subsided.

In the first six months of peace, Herklots had collected only 489,000 *sicca* rupees by offering the Dutch company's bills of exchange.³⁴ None of the Englishmen whom he approached dared to give him money under their own names. He had as he expressed it to "make it appear as if the rupees were paid in by one or another of the Company's own servants."³⁵ Titsingh brought to the business much more astute methods of bargaining and was forced to cast his net much more cleverly. He soon perceived that the *Heeren XVII* in Europe were laboring under a delusion in thinking of a vast reservoir of British capital awaiting remittance. The Portuguese and Danes had been active during the war, and were still offering terms which competed favorably with the Dutch. If one wanted an Englishman's money, one must fight to get it. Titsingh gave an illuminating picture of his troubles in a letter to the Seventeen of January 16, 1786. He then wrote:

On the twenty-seventh of last month, I was informed that one of the high officers of the brigade that was coming down to camp at Calcutta offered a sum of about 110,000 *sicca* rupees on the following conditions, that the rupee must be accepted at what the Danes and Portuguese offered, namely at thirty stivers, that bills must be on the Dutch company with interest at 5 per cent payable in London

³³ A. R. Falck MSS B 10 "Staatkundigt en beredeniert betoog."

³⁴ A. R. O. I. Comité 60, summary of bills of exchange in Titsingh's report to his successor.

³⁵ A. R. O. B., Bengale 1786, II, general letter to Batavia, Mar. 31, 1785.

and that it must be possible to postpone payment for one, two, three, or four years. As the brigade was marching by and the owner insisted on an explicit answer, I answered Mr. Day that I was powerless to give that exchange or to bind the Company to pay interest in London. The answer was: the English company gave the same interest 5 per cent; the owner of the money could take it to Calcutta, and either lend it at interest or remit it through the Portuguese or Danes; the owner, trusting the Dutch Company, had stipulated the terms of one, two, three, or four years in the hope that the Act of Parliament regarding the possessions of private persons in India would be repealed. Perplexed as to how to handle this, I took Eilbracht and Bogaardt into my confidence in the strictest secrecy and told them of our difficulties.³⁶

After a conference with his subordinates, Titsingh haggled and bargained with Major Day, first offering 28 stivers per rupee, then 29, and finally 30. He got around his orders from home by drawing two bills of exchange, each at the regular rate of 27 stivers, framed in such a way that the total number of florins payable in Europe really represented a net return of 30 stivers per rupee. In doing this, he informed the Seventeen that he was carrying out the spirit of their orders of July 26, 1785 concerning the sale of Dutch bills of exchange to servants of the English company. Of these orders, he had recently written:

This matter must be handled with the utmost secrecy; I shall be obliged both in the bookkeeping and in the issuing of bills on our treasury to take every possible precaution against the appearance of the least suspicion which, as a consequence of the great association and traffic of our servants with the English, could produce the most dangerous consequences.³⁷

Working in an atmosphere of secrecy and suspicion, Titsingh collected 950,000 rupees within six months for bills on Europe. By far the greatest obstacles in his path were the measures taken in England to restore the English company's credit. Men who had no object in concealing their wealth much pre-

³⁶ A. R. O. B., Bengale 1786, II, Titsingh to the Seventeen, Jan. 16, 1786.

³⁷ *Ibid.*, letter of Dec. 10, 1785.

ferred to take advantage of renewed opportunities to buy bills on their own East India Company. The names on the bill lists which Titsingh sent to Amsterdam show clearly that his customers were men who dared not reveal their wealth.³⁸ Most of these bills were issued to John Benn, William Knight, and William Young, all of whom were connected with opium dealings at Patna. Others issued in Indian names and in the name of John Leonard Fix, a servant of the Danish East India Company, almost certainly conceal other British remittances. The payment of nearly all these bills was to be handled in London through William Paxton, another former opium-contractor, who had just gone home to set himself up in business as William Paxton & Co. In close association with the growing Calcutta agency house of Paxton, Cockerell & Delisle, he proposed to concern himself with all kinds of India business. Titsingh directly approached Charles Cockerell with a view to persuading Cockerell & Delisle to invest large sums in the Dutch company's bills of exchange. Cockerell was willing enough but circumstances prevented him from committing his large agency house for a substantial sum. He subscribed for one or two small bills of exchange on the Dutch company, and then was so frightened at the prospect of being found out that he obliged Titsingh to write as follows to the Seventeen:

In one of our last advices of the 12th inst. [Jan. 12, 1786] . . . is listed a bill of exchange for 15,000 *sicca* rupees or 20,250 florins payable after the autumn sale of 1787, drawn here by Charles Cockerell to the order of Wm. Paxton & Co. of London or their assigns, and, now that the list has gone, Mr. Cockerell, in a fright because of the well-known Act of Parliament, beseeches us to conceal his name by altering the bill and inserting instead of his name the name of the native Goluck Mullick as the drawer, we have accordingly done so and we take this opportunity to give Your Honors advice thereof with the humble request that, notwithstanding this change which has occurred solely for the purpose of putting the said Mr. Cock-

³⁸ A. R. O. B., Bengale 1786, I and II, Titsingh to the Seventeen, Jan. 12, and 16, 1786 (enclosed *India Gazette* of Jan. 2), Mar. 20, 1786; secret letter to Batavia, Mar. 14, 1786.

erell at his ease, the aforesaid bill may be paid in due course upon its becoming due.³⁹

In the ensuing season, 1786/87, Titsingh watched a storm gather which, within a year, was to make it all but impossible for him to get money from the British by offering them the Dutch company's bills of exchange. Emergency regulations permitting British subjects to ship large quantities of their private goods home on some of the English company's ships tempted even the most notorious opium contractors away from foreign remittances. In this way, Titsingh lost much of the money he hoped to receive from William Young. Moreover, anxiety over prosecutions under acts of Parliament increased rather than diminished after the announcement of Lord Cornwallis' appointment to the governor-generalship of Bengal. In the lists of bills of exchange, Titsingh was almost never able to write the drawer's own name. The lists went to Europe filled with Indian or Dutch names. There is obviously little that is Indian in bills for 30,000 rupees drawn by Goor Mook payable to the London house of Edmund Boehm who was himself a director of the English company, and there is less that is Dutch in a bill for 20,000 rupees in the name of J. C. Heyning payable jointly to William MacDowall of Castle Semple, James MacDowall of Glasgow, and Claud Alexander of Ballachmyle.⁴⁰

In the autumn the Seventeen greatly increased Titsingh's troubles by sending out orders from Europe that a sworn notarial declaration must accompany the demand made on them for payment by an agent or attorney. This meant that an Englishman could not turn his Dutch bill over by simple

³⁹ *Ibid.*, Titsingh to the Seventeen, Jan. 24, 1786. At this time, Major Metcalfe, future East India director, and father of Sir Charles Metcalfe, seems to have been very glad to escape from paying 30,000 rupees to the Dutch company in Bengal on a bill of exchange sent out from Europe by his attorney.

⁴⁰ A. R. O. B., Bengale 1787, I, bill lists, general letter to Seventeen, Jan. 12, 1787; 1788, I, gen. letter to Batavia Mar. 31, 1787; Titsingh, in May 1786, had hoped for a million rupees from Young; he received only 200,000; cf. 1787, III, Council Proceedings, Apr. 15, 1786.

endorsement. He had to furnish his Dutch agent with a notarial declaration for each bill. Titsingh did his best to minimize the inconveniences and risks to concealment in this procedure. Nevertheless, it undoubtedly further dampened British enthusiasm for Dutch remittance methods. At about the same time, the Bengal Indian merchants and "banians" discovered that the Dutch company had no intention of sending any silver to Bengal from Europe. On November 24, 1786 Titsingh wrote despairingly to the Seventeen that without either silver or an authorization to draw a large sum on a reputable London house such as Barings or Child, Dent & Co., the Dutch would have to stop trading in Bengal in the coming season.⁴¹

In his public demeanor, Titsingh allowed no sign of his anxiety to show. In spite of the hindrances that beset him, he got together 830,000 rupees on bills of exchange, most of which had to be used to pay Indian cloth contractors who were clamoring for their money. By this means and by peddling out Japan copper and spices instead of cash to other Indian creditors, he staved off a total collapse of the Dutch company's credit, and proceeded with his plans for 1787/88. Moreover, prompt measures the summer before had, as he hoped, disposed of a threat to the Company's credit from another quarter. Some months earlier, rumors had begun to arrive that the Dutch company's bills of exchange drawn on the *kamer* of Zeeland had occasioned losses to English remitters. To combat these stories, Titsingh had stopped issuing bills payable in Zeeland and had asked his Calcutta agent to publish in the *Calcutta Gazette* a letter from an English gentleman who was perfectly satisfied with the Dutch mode of remittance. This man had remitted 150,000 *sicca* rupees with safety and expedition and used the Dutch bills to pay debts in all parts of Europe. By this means the danger of complete distrust of

⁴¹ A. R. O. B., Bengale 1787, I, Titsingh to the Seventeen, Nov. 24, 1786. On 23rd October, Indian contractors at Cassimbazar refused to deliver cloth until former debts were paid.

the Dutch company was averted during the months while it was still possible to sell bills of exchange.⁴²

In the spring of 1787, Titsingh finally realized that an old era had ended and a new one begun. Lord Cornwallis had brought reform into every department of Bengal administration. These reforms, coupled with an economic stringency which was becoming more and more acute, made it practically impossible to get silver from the English company's servants. So much of their wealth was now in the various forms of East India Company paper that they had no inducement to buy bills on foreign companies when their own company was trying by every means in its power to draw their money into its own treasury in one form or another. In a private letter to Governor-General Althing at Batavia, Titsingh bemoaned the Dutch failure to get more money from the British before the war "when the riches of these lands were given over as a prey to a thousand hungry wolves." Then, the Dutch need of money was so small that they did not take advantage of a tenth of their opportunities; now

the impoverished land can hardly slake her thirst for gold, the restraints on the search for plunder, the reduction in the revenue, and the strict oversight in financial matters under the present governor-general cut off all prospects of such speedy and brilliant fortune-making.⁴³

At the end of June 1787, Titsingh was forced to go to Cornwallis for help. The Dutch company had received no silver, and all the small amount of money Titsingh had recently collected on bills of exchange had to be used to satisfy Indian creditors. Fortunately for Titsingh, Cornwallis was anxious to pay specie into the English company's treasury at Canton. On the understanding that the governor-general at Batavia would repay the loan at Canton in the autumn, Cornwallis let

⁴² A. R. O. I. Comité 60, summary of Bengal bills; cf. A. R. O. B., Bengale 1787 III, Council Proceedings, Oct. 17, 1786.

⁴³ A. R. O. B., Bengale 1788, I, Titsingh to Althing, Mar. 31, 1787.

Titsingh have 100,000 rupees in gold mohurs.⁴⁴ Knowledge that the gold had actually arrived at Chinsura much allayed the fears of the Dutch company's Indian creditors among the cloth dealers.

Temporarily in funds, and firmly convinced that shipments of silver alone could ultimately avert ruin, Titsingh was too disheartened to be much upset by a letter from Alexander Colvin, of the Calcutta agency house of Colvin & Bayne, announcing the nonpayment of the Dutch company's bills drawn on Zeeland. Colvin's letter, dated August 23, 1787, ran:

I had the favor of your letter of the 25th. By the *Minerva*, we have letters which will be very unfavourable to the credit of your Company's bills of exchange. All those which are referred to the Chamber of Zeeland have been returned to Amsterdam under protest, and suits are commenced for their recovery from the Dutch East India Company. This is said to be in consequence of jealousies between the different parties in Holland, not from any want of funds in Zeeland. But, whatever may be the cause, the effect is the same, and I apprehend nobody will pay money into your treasury this season without having it stipulated that the bills shall be paid in Amsterdam. This is not one of those ill-natured surmises that many people are fond of propagating; we have it from people who have actually commenced actions in Holland for the recovery of bills returned under protest from the Chamber of Zeeland.⁴⁵

A week later, Titsingh wrote to the Seventeen that it had taken all the cash he could raise to collect cargoes for the four ships of the season, and concluded: "We should find it fruitless to attempt to arrange remittances through our cash with the English . . . this source seems dried up."⁴⁶

During the next twelve months, Titsingh received only 241,000 *sicca* rupees for the Dutch company's bills of exchange.⁴⁷ Fear of Lord Cornwallis became so great in 1788

⁴⁴ *Ibid.*, Council Proceedings, Aug. 7, 1787; Titsingh to Seventeen, Aug. 31, 1787.

⁴⁵ A. R. K. A. Uncat. 40.974e, Bijlagen, Bengale, 1786/87.

⁴⁶ A. R. O. B., Bengale 1788, I, letter of Aug. 31, 1787.

⁴⁷ A. R. O. I. Comité 60, summary of bills of exchange. John Zoffany, the

that Titsingh was obliged to send secretly to the Seventeen a key to the Indian names on the lists of bills so that there should be no doubt as to the English names for which they stood. Encumbered with a debt of over one million rupees, Titsingh struggled in the spring of 1788 to load his cargoes of opium and saltpeter for Batavia on promises of payment at their destination. After reviewing the steady decline of Dutch trade since 1771, he wrote to the governor-general at Batavia of his conviction that English power in India was invincible. In his view, a drastic reduction of the Dutch establishment in Bengal was inevitable. By cutting down their overhead expenses, he hoped to save 740,000 *sicca* rupees annually. Such measures, however, could not save him. The only thing that could save him was silver, and he sought it desperately both in Batavia and in Europe.⁴⁸

On receipt of despairing letters from their servants in Bengal, the Seventeen, in the autumn of 1788, roused themselves to do something, as soon as it appeared that trade was really about to stop. Loaded down with a debt which was itself reaching unheard-of size, the Seventeen could not think of sending silver except in the very last resort. They first tried the expedient of authorizing Titsingh to draw direct on John and Francis Baring for one million Dutch florins.⁴⁹ Armed with this support which arrived in January 1789, Titsingh sent his second in council, one Blume, to Calcutta with instructions to sound out the large agency houses with a view to marketing bills on the Barings. Blume's report from Calcutta was far from reassuring. He found that the agency houses had none of their own or their clients' money to spare for Dutch bills. They were appealing for 400,000 rupees to finance shipments of privately owned goods to London on the English Company's ships under the Company's recent

artist, was a purchaser of Dutch bills in 1787/88. See bill lists in A. R. O. B., Bengale 1790, VI. Zoffany paid in 4,500 *sicca* rupees Oct. 25, 1787.

⁴⁸ A. R. O. B., Bengale 1789, I, Titsingh to the Seventeen Mar. 9, 1789; 1790, I, to Batavia Feb. 15, 1788, to Althing, Mar. 14 and 25, 1788.

⁴⁹ A. R. O. B., Bengale 1790, II, Council Proceedings Mar. 1, 1789.

indulgences, and they also had a large supply of bills on the Company's super-cargoes at Canton which they were trying to sell in Calcutta. Consequently, Blume was obliged to write Titsingh: "I have held private conferences here with six of the leading agency houses without success, and without the slightest hope of success."⁵⁰

After reading Blume's report, Titsingh saw no escape from making a direct appeal to Cornwallis for help. On February 14, 1789, he himself hurried to Calcutta. Cornwallis received him kindly, but told him there was no hope of selling bills on the Barings to the English East India Company itself. Any such aid of six or eight lakhs of rupees extended to the Dutch company would run directly counter to the English company's declared policy of transferring its own Indian debt to Europe and of finding funds in Bengal for the trade with China. In order to satisfy Titsingh, he consented to place the Dutch request before his colleagues in council. On February 18, 1789 the official British refusal was conveyed to Titsingh in the following terms:

The situation of our Company's affairs in this country is such as to require all the money that we can procure, and the government at home is so sensible of this that the Court of Directors have empowered us to draw upon them for several millions.⁵¹

Rebuffed at every point, Titsingh and Blume gave up all hope of disposing of any bills on the Barings, but there existed one last expedient for getting money. This expedient was humiliating; it put the Dutch company on a level with Danish, Portuguese, and Imperial private adventurers, but beggars cannot be choosers. The Dutch company's ship *Straalen* lay in the river awaiting a cargo for Europe. If the Dutch company could not provide that cargo, why should not British subjects do so? The goods could all be shipped under Blume's own name and sold at Amsterdam for the benefit of the Britons

⁵⁰ A. R. O. B. 1789, I, Blume to Titsingh, Feb. 11, 1789.

⁵¹ A. R. O. B., Bengale 1789, I, Cornwallis-in-Council to Titsingh, Feb. 18, 1789; Titsingh to the Seventeen, Feb. 23, 1789.

concerned. No one would be the wiser and those who thus had an unlooked-for chance for clandestine shipment would be glad to pay the Dutch company a lakh of rupees for the use of the ship. Blume was in Calcutta again in April trying to sell this scheme to the agency houses. They were quite cordial to the idea, but thought it would succeed better if the *Straalen's* prospective cargo could be secretly landed at a port outside the Netherlands. Blume went back to Chinsura feeling fairly confident that when cloths were collected in September a cargo could be found for the *Straalen*. In July came the news from Europe that the agency house of Graham & Mowbray had lost 35 per cent on a similar venture which they had sponsored under a foreign flag. There was no further talk of freighting the *Straalen*. She was first destined to carry rice to Ceylon, but after the total wreck of the *Belvliet* off the Burmese coast and the partial loss of the *Spaarne* at Gale in Ceylon the *Straalen* remained the only ship available to carry opium to Batavia.⁵²

In the winter of 1789/90 Dutch trading activity in Bengal slackened and died. At Cassimbazar and Patna, everything had been at a standstill since the previous summer. Jan Goutvorst, a Dutch company's servant at Cassimbazar, wrote privately to Holland that there was absolutely no money to be had. The Indian merchants already thought of the Dutch company's bonds as a very poor risk and were disposing of them at a 25 per cent discount. Everything was slow to the point of utter stagnation. Titsingh at Chinsura heard of an English company's servant who wanted to remit 20,000 rupees on a Dutch bill of exchange, but fear of the acts of Parliament diverted the money to another channel before Titsingh could lay hands on it. The little Dutch community of about fifty lived on the hope of receiving a million florins in silver which was rumored to have left the Texel in February. The optimists thought that some silver and a couple of good cargoes of spices

⁵² A. R. O. B., Bengale 1791, I, Blume to Titsingh, Apr. 14, 1789 (with enclosures); Titsingh to Althing, Apr. 8, 1790.

from Batavia would set them on their feet again. As a matter of fact, the Seventeen had managed at last to send off 1,684 bars of silver in the company's ship *Spaarne* in March 1789. Like most of the Dutch Indiamen, the *Spaarne* was not copper-bottomed. At a time when her English rivals were often entering the Hugli four months after leaving the Downs, she took three months to get to the Cape and was ultimately wrecked on a beach near Point de Gale in Ceylon. When Cornwallis was assured of the safety of her silver, he gave the Dutch opium on credit for the ensuing season.⁵³

With the *Spaarne's* silver safely in the hands of the Calcutta mintmaster in March 1790, Titsingh began to breathe more easily, though 100,000 of the 284,000 newly coined *sicca* rupees had to be used to reimburse Cornwallis for the opium. The process of coining took a month to complete because the mintmaster was busy coining Arcot rupees for shipment to Madras to finance the war against Tipu Sultan which had just begun. The increase of economic activity on account of the war and the larger amount of paper in circulation which accompanied it tended to benefit the Dutch and enabled Titsingh to renew most branches of trade.⁵⁴

In 1790 the sudden outbreak of democracy at the French settlement of Chandernagore brought new anxieties to Titsingh. When the handful of Frenchmen at Chandernagore began aping the National Assembly and electing committees of eight by majorities of ten votes out of a total of forty-six, some of those among them who did not like the new order of things fled to Chinsura as well as to Calcutta. At Chinsura, protected by only fifty sepoy in Dutch pay, they were somewhat unwelcome guests. Titsingh was obliged to ask Cornwallis to be ready to

⁵³ A. R. Falck MSS B 7, J. Goutvorst to O. W. Falck, Aug. 10, 1789. Goutvorst comments on seven English voyages all under four months, and one of three months, six days: "What a difference from our own ships!" cf. A. R. O. B., Bengale 1792, III, ship list Feb. 1791; 1792, I, gen. letter to Batavia, Mar. 13, 1790; 1790, II, Council Proceedings, Dec. 1789.

⁵⁴ A. R. O. B., Bengale 1792, III, account of minting 1,684 bars of silver at Calcutta Aug. 1790; 1792, I, gen. letters to Batavia, Mar. 13 and Apr. 9, 1790.

send him military aid if he were attacked by the revolutionaries.⁵⁵

During the trading season of 1790/91, Titsingh kept going with the aid of bar silver and Spanish dollars sent, not from Europe, but from Batavia.⁵⁶ With the prolongation of the war with Tipu into its second year, economic activity in Bengal began again to slow down. Indian merchants complained of a scarcity of purchasing power. Bengal stagnated while Cornwallis was in the south winning the war. Virtually no money was available under any inducement for purchases of bills of exchange on Europe. The English company needed every silver rupee available to prosecute the war. By November 1791, Titsingh was again compelled to ask the English company to give him the Dutch allotment of opium on credit. He had then given up all hope of improvement in conditions and was busy preparing a report of his stewardship to hand over to his successor.⁵⁷

While preparing this report, Titsingh had an opportunity to review the whole position of the Dutch in Bengal during and since the American War. He saw as clearly as anyone the steady decay, but he tried to prove that the situation could yet be saved if only the proper measures were taken. What impressed him was that on the book-values of the exports and imports, Bengal ought to be made to pay. The market for spices was constant, and they yielded profits of hundreds of per cent over the invoice prices.⁵⁸ The market for Japan cop-

⁵⁵ A. R. O. B., Bengale 1792, I, Secret Council Proceedings, May 16, 1790; Titsingh to Cornwallis, Sept. 3, 1790.

⁵⁶ A. R. O. B., Bengale 1792, III, ship list Feb. 1791; 1,220 silver bars per *Vrouwe Agatha* yielded 250,210 *sicca* rupees, Aug. 1790; 1793, II, Council Proceedings for 1791 refer to 1,140 bars of silver and 13,100 Spanish dollars; on Oct. 4, 1791, 13,100 Spanish dollars yielded 26,957 *sicca* rupees.

⁵⁷ A. R. O. B., Bengale 1793, I, gen. letter to Batavia, Feb. 18, Nov. 5, 1791; A. R. O. I. Comité 60, summary of bills shows only 46,000 *sicca* rupees paid in for Dutch bills on Europe in 1790/91.

⁵⁸ A. R. O. I. Comité 60, Titsingh's profit and loss sheets on merchandise show he gained more for the Company than did Ross, but Dutch methods of bookkeeping are so obscure that it is hard to gauge his profits accurately. There is no doubt that the English had killed the prospects of sale of "Europe goods."

per was variable. The time when Japan copper had no serious competition from European copper would never return, but its price could be forced up. The available stocks could be cleared off, and new Japan copper attractively priced as superior to European, as it undoubtedly was, could be brought into demand. With regard to opium, Titsingh held that it was unfortunate that the Dutch were entirely in the power of the English. What could not be helped had to be endured. There was no point whatever in appealing to Mogul *firman*s and *sanads* which were not worth the paper on which they were written.

Titsingh knew as well as anyone the subterfuges to which the Dutch had had to resort in order to get good opium until Cornwallis put an end to the worst scandals at Patna and reduced the Dutch allowance to five hundred chests after 1786/87. In the 1770's the Dutch had discovered that only a few of the chests supplied contained good opium when they did not engage in undercover dealings with the English contractors. When William Young, as agent for Stephen Sullivan whose connection with opium contracts played so important a part in the Hastings trial, supplied poppy milk in 1785 ostensibly for seven hundred chests and only filled three hundred and eighty-six, Van Citters, the Dutch agent at Patna, did not dare protest. He knew Young had already furnished the Dutch chief with 300,000 rupees in return for bills on Europe. In order to save Young from possible exposure at Calcutta, Van Citters engaged for the bad opium on his private account. Together, he and Young chartered the snow *Charlotte* through Auriol, Cox & Co. to smuggle the opium into China but they were betrayed by the *Charlotte's* captain who stole the proceeds of the adventure. Even after Cornwallis' reforms, the Dutch were entirely dependent on the English for their opium.

Titsingh advised that no more goods be sent from Europe. A glance through Dutch spice sale sheets among the Bengal and Surat accounts leads one to suspect that the invoice or cost prices of spices were arbitrarily set at Batavia. They always imply profits of hundreds of per cent, and sometimes over one thousand per cent at the subordinate factories in India.

They had to take the five hundred chests offered them; the Bengal Council and Board of Trade repeatedly ignored any protests or requests for a larger allowance.⁵⁹

With these facts in mind, Titsingh advised his successor never to oppose English power but to coöperate with it in an effort to maintain what was left of Dutch trade in Bengal. In summing up Dutch prospects for the future, Titsingh held that the Dutch could always rely on spices, Japan copper, opium, and saltpeter to keep a small but profitable trade going in Bengal. Occasional shipments of silver from Europe or Batavia in times of stress could at least keep Chinsura alive, but no real revival at that settlement was possible without a steady influx of silver.

During the first three years of peace, the English had paid into the Dutch treasury for bills of exchange 2,300,000 *sicca* rupees. Since 1787, only 414,000 rupees had come in from this source. It was therefore obvious that the Dutch must import silver to restore their piece-goods trade. With silver, they could invade Assam which Ross had barely tapped. Without silver, they could continue to struggle along on a hand-to-mouth basis. Although Titsingh did not realize it, their only hope of improvement would then lie in their becoming carriers for others.⁶⁰

If Titsingh had had before him not only his own accounts, but those of the Dutch chiefs at Surat, Cochin, and Pulicat, he could have shown the Seventeen how closely the Dutch position in Bengal resembled their position elsewhere in India. The private ships under Dutch colors which had formerly engaged in "country" trade before the war had entirely disappeared.⁶¹ At Surat, trade in spices and piece goods still went on, apparently with a small profit, but shipments of hundreds

⁵⁹ A. R. K. A. Uncat. 40, Titsingh's letters to Cornwallis during 1789, 1790, and 1791, with replies, A. R. O. B., Bengale 1792, II, Council Proceedings, July 1790 (containing Van Citters' letter from Cassimbazar on opium, July 20).

⁶⁰ A. R. O. I. Comité 60, especially para. 58, in *bijlagen*.

⁶¹ No Dutch ships, comparable to those of the 1760's and 1770's, appear in the ship lists in the A. R. O. B., Souratte and Bengale for the 1780's.

of thousands of pounds of European copper into Bombay after 1787 greatly injured Japan copper.⁶² The Dutch chief at Surat could obtain no money by selling bills of exchange to the English. If the chief and the half-dozen Dutchmen in his council had not had opportunities to share in the "country" trade carried on by the English company's servants at Bombay, there is little doubt that the Surat factory would have been abandoned.⁶³ Cochin had already become merely a base for the "country" trade of southwestern India. The private profits of the Dutch chief and his council were greater there than at Surat for the Dutch company possessed complete control of the town and fort. The decay of the Company's own trade made little or no difference to its servants at Cochin who were making their fortunes by charging fees and commissions on the import and export cargoes of every ship visiting the port. As the harbor was one of the best on the Malabar coast, and the town one of the most prosperous owing to the wealth of its Indian and Jewish merchants, these items were not inconsiderable.⁶⁴

At Pulicat and its insignificant subordinate factories on the Coromandel coast near Madras, the process of decay in Dutch trade greatly resembled that which occurred in Bengal. By the cession of Negapatam to the English at the close of the American War, the Dutch had lost their headquarters on this coast. Through Negapatam, they had shared the trade of Tanjore, and Negapatam's position in the "country" trade of southeastern India had not been very different from that of Cochin in the "country" trade on the other side of the penin-

⁶² A. R. O. B., Souratte 1789, I, Secret Council Proceedings Dec. 10, 1787; 700,000 lbs. of European copper had just come into Bombay; cf. A. R. Falck MSS, C 26, J. W. to O. W. Falck, Feb. 15, 1784; Falck referred to Surat as the only place where trade never stops, and where it could continue even without *klinkende specien*.

⁶³ A. R. O. B., Souratte 1787, correspondence between English and Dutch chiefs at Surat, Jan. 1786. Cf. also A. R. O. B., Souratte 1789, I, gen. letter to Batavia, Jan. 8, 1788.

⁶⁴ A. R. K. A. Uncat. O. B. Batavia 1156ra, reports of incomes and emoluments of servants at Cochin sent to Batavia by Governor J. C. Van Angelbeck.

sula. Pulicat was merely one of several places where the Dutch collected the types of piece goods peculiar to southern India. A chief and council established there after the war had little or no hope of getting money from the English company's servants at Madras who wished to conceal remittances to Europe. Successive Dutch chiefs made feeble attempts to do so, but were nearly always overreached by the Danes at Tranquebar who offered better terms. The Dutch were therefore forced to barter with spices or Japan copper and, as one chief observed, anyone going into the weaving villages with only Japan copper to offer could hardly hope to compete with an Indian merchant carrying golden pagodas.⁶⁵

An unusual aspect of Dutch trade on the Coromandel coast was the part played in it by gold. In earlier times, gold sent from the Malay archipelago had had a large share in that trade, and even in the 1780's such gold still came to Pulicat in the Dutch company's ships.⁶⁶ In 1788 when stagnation was setting in at Pulicat as at Chinsura, the Seventeen bestirred themselves to send out a small shipment of gold from Europe.⁶⁷ Throughout the late 1780's, the Dutch chief at Pulicat busied himself with the project of setting up a new mint to replace the one lost at Negapatam. Because of the "domineering power of the English over the whole coast" he wanted to mint his own star pagoda, equal to the star pagoda minted at Madras, and finer than the old Negapatam pagoda. The new mint was built and an assayer hired, but the English,

⁶⁵ A. R. O. B., Coromandel 1789, I, Tadama to the Seventeen, Mar. 10, 1788; secret resolution of council Mar. 15, 1786. The only reference to the sale of a Dutch bond or bill of exchange to a foreigner to be found in this volume is in a letter to the Seventeen of Mar. 10, 1788. Major William Sydenham appears to have paid in 4,721 pagodas.

⁶⁶ References to this gold are to be found both in the Batavia accounts in the A. R. O. B., Batavia, and in the A. R. O. B., Coromandel. Also in A. R. Van Hogendorp MSS (1913), no. 143 is a private letter from Jan Greeve to Gov.-Gen. Althing referring to Greeve's desire to ship gold to Coromandel from Java's northeast coast in Apr. 1788.

⁶⁷ A. R. O. B., Coromandel 1789, I, Tadama to the Seventeen, Mar. 10, 1788. Shipment by the *Flugge Trekvogel* of 11 *chaaren* gold of 20 k. 8 2/5 g. and 16 *chaaren* of 15 k.

through the nawab of the Carnatic, seem to have successfully thwarted the revival of the Dutch right to coin gold.⁶⁸

In spite of numerous plans of the Batavia government to abandon the Coromandel factories or to transfer their headquarters from Pulicat to Sadras,⁶⁹ the Dutch remained on the Coromandel coast until all their Indian settlements were taken over by the British in 1795/96 after Holland became involved in the French Revolutionary wars. Jacob Eilbracht, who had served Titsingh in Bengal, was the last chief at Pulicat to attempt to restore the trade in piece goods. Reluctant to accept the conclusion that the Dutch company must become merely a carrier for private merchants, he suggested a compromise plan under which the Company would abandon certain articles such as sugar and spices to the private trader. He tried to prove that such measures, coupled with rigid economy in maintaining the factories, would enable Coromandel to show a steady profit. Since the governor-general at Batavia already considered the Coromandel settlements as an almost total loss, Eilbracht's views are only of interest as one of several remedies then suggested for what all Dutchmen called the "sinking state" of their East India Company.⁷⁰

Blume, who remained in Bengal, was more realistic than Eilbracht. Someone had sent him an anonymous memorial written in 1774 advising the Company to become a carrier for private traders in so far as its business on the Indian continent was concerned. Only in that way could it escape from the morass of overhead expenses in which it was slowly but surely stifling to death. Blume was so impressed with this memorial

⁶⁸ A. R. O. B., Coromandel 1789, I, secret resolution of Council Jan. 5, 1788. The English certainly forced the nawab to refuse permission for a mint in 1788/89. There is, however, some evidence that the Dutch were striking gold coins in 1790 not at Pulicat, but at Jagganathporam; see A. R. K. A. Uncat., Coromandel 40/966c, Althing to Tadama, Apr. 27, 1790.

⁶⁹ Sadras was recommended as better than Pulicat because it had a better port and ships could be loaded more quickly there. See A. R. O. B., Coromandel 1789, I, gen. letter to Batavia, Mar. 10, 1788.

⁷⁰ A. R. Falck MSS C 26, Jacob Eilbracht to O. W. Falck, dated Pulicat, Mar. 22, 1793.

that he made the anonymous author's views his own and urged them upon influential friends of his in Holland.⁷¹

No one who considered carefully the causes of the decline of Dutch trade in India placed much hope in the negotiations carried on between the English and Dutch governments in Europe during the late 1780's. The governor-general at Batavia hardly paid attention to them except when the retrocession of Negapatam was thought probable.⁷² As soon as British and Prussian diplomats had succeeded in staving off the Franco-Dutch alliance which threatened to grow out of the troubles of the *Patriottentijd*, no British motive remained for making concessions to the Dutch in India. Lord Auckland, who carried on the negotiations for an Anglo-Dutch commercial treaty in 1791, had no intention of restoring any of the former Dutch rights in the dominions of the Moguls. At that time, Dundas at the India Board of Control was already aiming at the acquisition of the Dutch factories in India, but did not dare openly to say so.⁷³ The constantly increasing debt of the Dutch company to the States of Holland and to the States-General had already caused the appointment of a commission to investigate its affairs. Hardly a reputable financier in Europe believed the Dutch company could escape ruin. Actual bankruptcy might be concealed under a governmental reorganization but it would be bankruptcy just the same.⁷⁴

Titsingh's brave words to his successor about the possibilities of restoring Dutch prosperity in Bengal were belied by his own actions. Though it was true that the trade might revive

⁷¹ A. R. Falck MSS C 15, J. C. L. Blume to O. W. Falck, dated Chinsura Jan. 25, 1792 enclosing "Memorie of Bedenkingen over den Generalen Staat der Nederlandse Maatschappij hier in Indie" by N. N., 1774.

⁷² A. R. K. A. Uncat., Coromandel 40/966a, Althing to Tadama, July 4, 1788, countermands previous order to transfer Coromandel headquarters to Sadras because of rumors that Negapatam is to be restored.

⁷³ A. R. Van Hogendorp MSS (1913) no. 38 contains papers concerning these negotiations. See also C. H. Phillips, *The East India Company 1784-1834*, p. 67; H. Furber, *Henry Dundas*, p. 104.

⁷⁴ *A Staat der Oostindische-Compagnie* published in Amsterdam, 1792, reckoned the debt guaranteed by the States-General at 67,707,585 florins.

if the Seventeen could send out steady shipments of silver, he knew enough of European conditions to realize the Company's increasing powerlessness to export bullion. Neither he nor anyone else in the winter of 1791/92 foresaw the swift consequences of the French Revolution. He probably never dreamed that within three and a half years of his departure from Chinsura, his successor would be handing over the keys of the fort to an English company's servant,⁷⁵ but he had no faith in the future of the Dutch company. He realized that his own future was bound up with that of the English company which had the power to offer him greater security and contentment. His friendship with Sir William Jones and other orientalists at Calcutta may well have influenced him to think of retiring to England after making his fortune, but it is more probable that his association with the great Bengal agency houses determined his decisions. Although Titsingh had been neither as fortunate nor as unscrupulous as Ross, he had acquired a fortune of 225,000 rupees since his arrival in Bengal. Added to what he had previously sent to Europe from Japan, this money enabled him to look forward to retirement on a small but assured income. As early as the spring of 1790 he began to make plans to leave Bengal. He was then arranging to withdraw whatever funds he had remaining in Batavia for transfer into the hands of the agency house of Paxton, Cockerell & Delisle.⁷⁶ Ever since 1786/87, William Paxton had been acting as his London agent.

When Titsingh finally resolved on departure in the spring of 1792, he wrote at length to his brother in Holland of the reasons for his decision to invest the bulk of his fortune in the securities of the English East India Company. In this

⁷⁵ A. R. O. B., Bengale 1796, I, contains the last letters to the Seventeen from Chinsura which surrendered Aug. 5, 1795. The Bengal letters for the years 1793, 1794, and 1795 reveal a struggle for existence, carried on with the aid of an occasional shipment of silver. The smuggling of spices by captains of English East Indiamen was ruining the spice trade. Nevertheless, the Dutch chief kept on and was planning to keep up his shipments on Danish ships as soon as war became imminent.

⁷⁶ B. M., Add. MSS 18,101. Titsingh to his brother, Apr. 10 and 15, 1790.

letter, which is itself a commentary on the growth of British power in the East, Titsingh said:

In former years, I have had an opportunity to observe how men with a fortune acquired at the subordinate factories come to the Company's headquarters [Batavia], and, for the purpose of investing their money, are persuaded to leave it with a friend under his personal bond. If this friend has funds in the hands of Chinese, natives, or Europeans which he despairs of ever recovering, he gives it out that these persons are the safest and most responsible risks and accordingly entrusts his friends' money with them to support their credit, and hence puts his friend to the risk of losing all. Besides, interest at Batavia is not higher than $3\frac{1}{2}$ or 4 per cent, and hence very moderate. In order to avoid this, I have been busy shifting my funds into the English Company's bonds and certificates which earn eight per cent, and on which the annual interest is promptly paid. In order to make sure that these securities are not tampered with by one's agents, one takes them to the English Company's treasury where for the total sum a new bond is made up in one's own name and so registered on the books, and one authorizes his agents by a letter of attorney to draw the interest annually. Thus, the capital remains always secure and this method of investment is far preferable to European annuities and protects you from the disasters which have befallen many a repatriated Englishman. I shall try to bring my investment in these securities up to two lakhs of rupees. . . I shall make out the letter of attorney in the name of Messrs Cockerell & Trail. With regard to this, I have arranged with Mr. Cockerell who is now on his way to Europe to take up the matter with the house of Paxton in which he is a partner . . . he told me he would agree that, in case I decided to return to Europe, he would pay me the interest annually through the house of Paxton and advised me to allow his house to invest the amount of that interest annually in the types of piece goods most in demand such goods to be shipped on "Ostend" ships or other private ships whereby I would be assured of a clear profit of 25 per cent . . . On my departure, I shall inform you of the names of my agents and of the exact amounts which stand to my credit both in the Batavia and in the English Treasury. You will observe by this that I am becoming a financier. I have never bothered myself greatly about money matters, but it has now become absolutely necessary to do so.⁷⁷

⁷⁷ *Ibid.*, letter of Jan. 2, 1792.

Within a month of writing this letter, Titsingh had his English company registered bonds in hand all carefully listed, and had drawn bills on Batavia for 46,997 florins. He was ready to depart, leaving behind in Batavia real estate and jewels worth 60,000 florins. On the tenth of March 1792, his countrymen at Chinsura turned out to do him honor. At their little theater they gave a performance of "Demophontes," preceded by a display of Titsingh's coat of arms with the motto inscribed underneath: *Semper honos, nomen qui tuum laudesque manebunt*. Four days later they lined the shore in tears to watch his ship sail down the river toward Calcutta.⁷⁸ Looking forward to years of leisure among his Japanese manuscripts, which are now in the British Museum, Titsingh had no cause to regret the past. Nothing that he could have done would have restored to his countrymen the power and prosperity they had once enjoyed as traders on the Indian continent.

⁷⁸ *Ibid.*, letters of Mar. 10 and 22, 1792. Titsingh's real retirement was long delayed, and very little of his time was spent in England. Before returning to Europe, he headed a Dutch mission to China. For an account of his career, see C. R. Boxer, *Jan Compagnie in Japan*, pp. 151-160.

CHAPTER IV

THE DANES AND THE CLANDESTINE TRADE OF INDIA

THE STORY of the work of the French and Dutch East India companies both at home and overseas has provided us with the most impressive demonstration of the ways in which British power increasingly pervaded every aspect of European activity in India. If the British could so profoundly influence directly and indirectly the affairs of the two nations which aspired to rival British exploits in empire-building, their ability to dominate and control the commercial activities of other European nations trading in India provides no comparable demonstration of their power. None of these other European states had as vital an interest in opposing British participation in their Eastern trade. None of them were influenced by considerations of enhancing their political power or prestige in the East. The Portuguese had already lost their empire in the Indies; all they wished for was to retain the scattered remnants left to them by the Dutch and British. The Danes never had any pretensions to empire on a grand scale. The Swedish East India Company traded only to China. The Emperor and the Italian princes had no interest in overseas empire. All these states placed no obstacles in the way of British subjects anxious to violate the monopoly of the English East India Company by trading to India under foreign flags. In the 1770's and 1780's, Copenhagen, Ostend, and Lisbon became the centers of an India trade which was for the most part British in all but name.

In Copenhagen three or four great commercial houses dominated the India trade. British capital played a large part in their operations, and their international character is revealed by the names of those connected with them. De Coninck & Reyerson, for example, represented a partnership between a

Dane and a Dutchman who had close connections with the great Amsterdam banking houses. By 1793, De Coninck had become the "most opulent merchant in Denmark, Agent and Consul for the Empress of Russia, and Director of the Danish Finance and Commerce department." Paul Peschier who managed his own firm had French and Swiss correspondents. C. S. Black's Widow & Co. had English connections. Alexander Brown, and Selby, Dungan & Thompson are obviously English. The three great houses of De Coninck & Reyerson, Cramer & Ryberg, and C. S. Black's Widow & Co. all had agents or friends among the directors of the Danish East India Company.¹ When Danish private traders in 1776/77 first took advantage of the royal permission given them in 1772 to compete with the Danish East India Company, they naturally sought to acquire shares and influence in the Company, and the Company's directors in their turn were obliged to protect themselves by entering private trade either directly or indirectly.² Denmark's neutral position in the American War gave ample scope for both the Company and the private trader. After the war, Company trade and private trade continued side by side. To both, British capital was essential. Because the Company has left complete records of its business, it is easier to describe the British role in the one sphere than in the other.

¹ D. R., As. Co. A 1:104 *et seq.*, foreign correspondence Dan. E. I. Co.; A2:428, lists of shareholders; P. R. O., F. O. 22/16, Michell to Grenville, Christiania, June 24, 1793; cf. F. O. 22/6, Elliot to Carmarthen, Copenhagen, July 30, 1784, referring to De Coninck & Reyerson as "the only house of unshakable credit in Copenhagen"; A. N., AJ² 255, French E. I. Co.'s Copenhagen invoices mention Peschier; Eur. MSS F 3, item 71, bill of exchange dated Serampore, Nov. 25, 1793, shows connection between C. S. Black's Widow & Co., and Wheler, Higginson & Co.

² H. M. 57, Lord Suffolk's report on the proposed alterations in the Danish E. I. Co., dated May 5, 1772. These alterations, which permitted competition by private traders, were included in a new revised charter, dated July 23, 1772. At least three years passed before any private trader financed an India voyage. Edward Stevenson, later partner in the Tranquebar agency house of Harrop & Stevenson, sent the first two private cargoes to Copenhagen in 1776, and in July 1777 the first two voyages to and from India by private Danish ships were completed by the *Bernstorff* and *Minerva*. See August Hennings, *Gegenwärtiger Zustand der Besitzungen der Europäer in Ostindien* (Copenhagen, 1784), I, 1-3.

The Danish East India Company, like the French, was a purely commercial corporation. Unlike the French, it had more of a cosmopolitan character. Nine hundred of its forty-eight hundred shares were said to be in foreign hands.³ The lists of stockholders do not imply that the bulk of these nine hundred foreign shares were held in London. They rather suggest that most of the foreign stockholders were connected with foreign commercial houses operating in Copenhagen. Because of two devices which resemble some modern corporate practices, it is impossible to tell precisely how widely the shares of the Danish East India Company were held. Shares were already passing from hand to hand which appeared on the stock lists as belonging only to "bearer." Also, a curious practice had grown up of registering shares in what appear to be tiny investment trusts. These groups, which appear on the transfer books under such arresting pseudonyms as *Par curiosité*, *Ce que le sort me destine*, *Fortunet Deus*, *Die Ruhige Zufriedenheit*, and *Auf Wiedersehen*, conceal an indeterminate number of shareholders. Foreign participation in these groups which numbered 85 in 1786 and 105 in 1789 is not impossible. Probably the Company's 4,800 shares with a nominal value of 2,400,000 rix-dollars were owned by about one thousand individuals.⁴ The Company's policy was dominated and directed by a half dozen directors who signed the letters which went in the Company's name to its servants in the East.

Since the Danish company was not as dependent on the British for the purchase of ships and supplies in Europe as was the French, its connections with the British are best revealed in the correspondence of its agents in India. At Serampore in Bengal and at Tranquebar on the Coromandel coast

³ H. M. 57, Francis Drake's "Observations on the Trade carried on between Denmark and Asia," written 1791. Much of this material is also in Drake's dispatches from Copenhagen in P. R. O., F. O. 22/14.

⁴ D. R., As. Co. A 2:428 and 476, shareholders list and transfer book 1784-1790. The number of shares transferred annually averaged 300. Excluding shares registered to "bearer" or to groups, the number of individual shareholders was 681 in 1786 and 718 in 1789.

south of Madras, the Danish company's agents lived under the aegis of a royal governor responsible to the king through the *Kommerce-collegium* or department of commerce at Copenhagen. Serampore in the 1780's was little more than a village on the Hugli below the French settlement of Chandernagore. The days of its greatness as the cradle of Protestant Christianity in Bengal and the seat of the labors of Carey, Marshman, and Ward had not yet arrived. Neither Carey's missionary college nor the church, which so much resembles a New England meetinghouse, at the end of a tree-shaded street, had yet been built to give Serampore a charm possessed by no other European settlement in Bengal. Even as a trading factory, it was regarded as second to Tranquebar which the Danes always thought of as their headquarters in India.

At Tranquebar, Oved Gedde had built a fort in 1620, nineteen years before the English settled in Madras. Behind the fort, the Danes planned a little European town with streets at right angles and houses without "compounds." In the seventeenth and eighteenth centuries, the town thrived on the "country" trade which was encouraged to come to the port. Today, though its fort has become a *dak* bungalow and its streets are deserted, Tranquebar remains much as it was when the Danish company's agents lived there. Its churches remind one most forcibly that Protestant Christianity entered India under the protection of the Danish king.

It is in Tranquebar rather than in Serampore that we can gain the best conception of the dealings of the Danish company with the British. At Tranquebar, the Danish company sought British capital in competition with the private traders operating under the Danish flag. The private traders did most of their business through the English agency house of Harrop & Stevenson established at Tranquebar. The Danish company and the Danish governor, who made up his deficit by drawing bills on the *Kommerce-collegium* at Copenhagen, sought their funds in Madras. The Danish company's business was considered so important that it was much coveted by the leading

agency houses at Madras. During the American War, the Anglo-Portuguese house of Pelling & De Fries monopolized this business. They continued to do so until 1787 when the Danish company's agents, for some unknown reason, transferred their favor to the house of the veteran Madras merchant James Amos which was successively known throughout the 1780's and 1790's as Amos & Bowden, Michell, Amos & Bowden, and Michell, Stephens & Bowden. On occasion, the Danish agents would send one of their number to Madras, or would deal directly with individuals, such as Sir John Menzies, a curious Madras Scotsman who wished to engage in trade and yet remain a gentleman. Most of the golden pagodas which the Danish company collected in this way from the English company's servants on the Madras establishment were sent overland to Tranquebar by relays of *gollah peons* escorted by armed sepoys. From Tranquebar, the gold was sent out into the weaving villages in the Tanjore country. The rest of the money, especially after 1788, was in part spent in the Northern Circars and in part sent to Bengal. North of Madras, the Danish company could not operate directly, but depended upon the coöperation of the English company's servants.⁵

An examination of the lists of bills of exchange on the Danish company's books yields little information as to the names of the English purchasers. The legal prohibitions against foreign remittances were as strong a motive for concealment in Madras as in Bengal, but there was added to them the practical motive of business convenience. The Danish factors early discovered that the best way to get money from their Madras agents was to send to Madras sheaves of bills of exchange drawn on the Company's directors in Copenhagen in denominations of 500 or 1,000 pagodas and endorsed in blank. Consequently the great majority of these bills are

⁵ D. R., As. Co. B 4: 1787-1799, incoming and outgoing letter books, Tranquebar, 1780/81-1792/93; B 3: 1712 *et seq.*, customs books, Tranquebar; Madr. Record Office, Pub. Dept. Sundries 41, Sir John Menzies to Government Dec. 15, 1787

listed only in the names of the Danish factors themselves, or of the agency houses.⁶ In order to encourage the practice, Pelling & De Fries wrote to the Danish governor, Herman Abbestie, on May 4, 1786:

We received only yesterday your letter dated the 21st ultimo inclosing three first bills of exchange, one for £1000, the other two for £500 each. We now return them back as we cannot pass them for reasons which must be obvious to you. If you think proper you may send them drawn out in the name of any one of you with a blank endorsement and we shall pass them as we find an opportunity — We have had no application yet, but it may not be amiss to keep us provided with some of your bills in the manner above mentioned.⁷

The names of purchasers of Danish bills which have survived suggest that the bills were marketed in small lots among obscure "country" traders and English company servants who entrusted their savings to Pelling & De Fries or Amos & Bowden. Major Henry Alexander and Robert Ewing are almost the only well-known Madras servants who appear on these lists. In 1784, Ewing ordered his Danish bills in lots of £1,000 each, and was so afraid of the acts of Parliament that he wrote the Danish company he could peddle out very few Danish bills among his immediate circle of friends.⁸ During the ten trading seasons from 1783/84 to 1792/93, the Danish company's bills of exchange sold in Madras represented a total of £480,550 payable in London.⁹ In large part, this sum represented profits won by the English company servants on collusive contracts for military supplies. Golden pagodas worth £90,406 went into the Danish company's coffers in the first two seasons of peace after the American War, and £104,735 were remitted in the first year of Lord Cornwallis' war with Tipu Sultan.

The Danish company's correspondence with its Madras agents clearly shows both that it had to bid high to get money

⁶ D. R., As. Co. A 2:583-595, Dan. E. I. Co. journals, 1783/84-1795/96.

⁷ D. R., As. Co. B 1:1396b, May 4, 1786.

⁸ D. R., As. Co. B 4: 1790, R. Ewing to Dan. E. I. Co.'s agents, Feb. 7, 1784.

⁹ D. R., As. Co. A 2:583-595, journals of Dan. E. I. Co.

after the English company took strong measures to stop foreign remittances and that its dependence on English sources for the purchase of cloths steadily increased.¹⁰ In the Madras Presidency, Lord Cornwallis' reforms in the methods of collecting the English company's investment of piece goods had little effect before the end of his war with Tipu. Since the Tanjore country was much ravaged during the American War, the Danes in the later 1780's looked more and more to the north for their cloths. They bargained with the English company's servants and often asked Danish ships to call at Masulipatam to load piece goods. These transactions were all carried on in an atmosphere of secrecy and intrigue. The Danish agents at Tranquebar received *douceurs* from English company servants who were anxious to collect cloths for them.¹¹ The letters written by the English to their Danish employers clearly show how the business was done. The English company servants arranged for the weaving of the English company's cloths at the standard rates and then contracted for the weaving of cloths for the Danes at lower rates. Transactions of this sort were adversely affected when enemies of the men concerned threatened to inform the Madras government against them in 1793.

One of the chief offenders was George Yeats at Ingeram whose business was "protected" by his brother, Matthew Yeats, the English company's resident. In October 1793, one Bowie who had a grudge against George Yeats went among the weavers telling them that they could force George Yeats to pay as much for the cloths woven for the Danish as for the English company. The weavers at once went on strike, work was delayed for a month, and Yeats was obliged to write the Danes that his career in the English company's

¹⁰ The evidence on this point in D. R., As. Co. B 4: 1787 and subsequent volumes is confirmed by the Secret Resolution of the Dutch chief at Pulicat dated Mar. 15, 1786, in A. R. O. B., Coromandel 1789, I.

¹¹ D. R., As. Co. B 4: 1707, G. Yeats to J. C. Pingel, Danish Co.'s factor at Tranquebar, Dec. 9, 1795: "I have heard, Sir, that you expect a handsome *douceur* when you give a commission."

service was all but ruined. Fortunately for him, his brother Matthew's friends on the Board of Trade in Madras hushed the matter up. Nevertheless, George Yeats felt he could not cancel his contract with the Danes. By spending more money, he succeeded in filling some of their orders. On December 6, 1793, he wrote to the Danish factors in Tranquebar:

The sixty odd bales which I shipped on the Dansborg have been swelled by malicious people to 50,000 pagodas [worth] of Company's cloth, and the Members of the Board of Trade have written it privately to my brother . . . Your disappointment has undoubtedly been great but my situation has been most alarming, having been threatened to be removed from the place, and my future prospects entirely crushed by the malevolence of those who wished an enquiry to take place that I might have been ordered to Europe.¹²

Another English company's servant who was deeply implicated in dealings of this kind was Roger Darwall of Masulipatam. In 1787, Darwall was already annoyed that his doings had crept into the Danish company's records for he wrote privately to his Danish agent:

I must remark to you that I have no transactions with them [the factors of the Danish Company] collectively for reasons which I conceive you are bound in honor to hold sacred, otherwise, the advantages of commission would not have induced me to run so great a risk, and had I not had a firm reliance on you, I should [not] have ventured it.¹³

In 1792, his activities were threatened by "informers." Early in the spring of that year he was so frightened at learning of the Bengal government's orders to hold the Genoese ship *Nettuno* as English property that he sent off the following warning to his friends at Tranquebar:

The times are replete with danger, and informers are abroad, which makes every precaution necessary. In future, all your orders must be addressed to Mr. De Mars at Yanaon, and sent open under

¹² D. R., As. Co. B 4: 1797, G. Yeats to Dan. E. I. Co.'s factors, Dec. 6, 1793; Yeats' letter of Oct. 14, 1793 is headed, "Please destroy this letter."

¹³ D. R., As. Co. B 4: 1793, Roger Darwall to Dan. E. I. Co.'s factors, May 5, 1787.

cover to me; he will also through me acknowledge receipt thereof; everything will be well understood and business go on the same as heretofore, and you may depend on having the best that can be got and, as you have begun so early, I think you may make more certain of good cloth and I would advise you to make all the advances you can in this and the next month. After that, French money will come into competition with yours, and it is natural to suppose cloth will lower in quality. Send back this letter, as I do not want a scrap of writing to appear in my name or handwriting.¹⁴

With the aid of the French agents at Yanaon and the Dutch at Jaggernathporam it was therefore possible to keep cloths moving into Danish hands even after the Madras government took stringent measures against such practices. G. L. Martin at Palamcottah was more canny than some of his colleagues. He wrote on March 29, 1792 to Tranquebar: "I wish much to prevent a possibility of danger to correspond with you upon these subjects under another signature and will in future if you please sign myself Chinglemy, the Name of my Dubash."¹⁵

The Danes at Tranquebar, unlike the French and Dutch on the Coromandel coast, were completely immune to the evil consequences of events in Europe. They thrived on the quarrels of the leading maritime powers. Even a brief glance at the letter-files of the Danish factory in Tranquebar shows the importance to them of a contraband trade in military supplies. The war with Tipu Sultan opened for them an era of greater activity than that of the American War. For a brief moment in 1790, they were hampered by a dearth of silver. Once that was remedied by shipments from Europe, they hurried to take advantage of the English company's military necessities.¹⁶ Increased business during the war with Tipu led them to extend their operations to Bombay. In the summer of 1792, the factors at Tranquebar decided to try the experiment of

¹⁴ D. R., As. Co. B 4: 1797, Roger Darwall to Dan. E. I. Co.'s factors, Mar. 4, 1792.

¹⁵ *Ibid.*, G. L. Martin to Dan. E. I. Co.'s factors, Mar. 29, 1792.

¹⁶ D. R., As. Co. B 4: 1798, Dan. E. I. Co. to Gov. Van Angelbeck at Cochin, Jan. 6, 1790, *re* selling arms to raja of Travancore; to Amos & Bowden, July 2, 1790, and Sept. 13, 1790, *re* financing of loan until silver arrives.

sending the Danish company's ship *Dannebrog* to Bombay with a cargo of naval stores and silver to be marketed by James Tate. In replying to the Danes' announcement of the dispatch of this ship, Tate, who was then expanding the business of his agency house, welcomed the prospect of her arrival but feared she would come too late. He reported that six English company's ships were expected "besides an Amazing large Swedish Indiaman, and several French and Americans." When the *Dannebrog* arrived in December, Tate did everything he could for her, professing a desire to "do all in my power to serve the Royal Danish Company." Although her naval stores were unlandable for reëxport because of a new government duty of 20 per cent, Tate took her copper and iron, even though overstocked himself, and enabled the Danish captain to sell his dollars at the very advantageous rate of 100 dollars for 218 Bombay rupees. As the Danes wanted coffee and pepper for a return cargo, Tate offered to send one of his own small "country" ships to Mocha to get 2,000 bales of coffee. In the following March, Tate wrote again to Tranquebar, expressing his hopes that the Danish company would not be discouraged by the *Dannebrog's* lack of success. He then said:

If the [Danish] Company send out ships to touch here on their way to China, they should arrive as early as possible so as to sail again before the S.W. monsoon sets in [about the tenth of June], and the Cotton ought to be contracted for in March or April; it must be observed that the ships cannot be publicly consigned to me or any other British Subject, as it is contrary to the Act of Parliament; nevertheless your supercargoes and I could understand each other; the business must be ostensibly managed by them, altho' the actual sale and purchase passed through the hands of my broker. This was done with Captain Rosenquist, and I dare say he will acknowledge he never was at a port where he found less difficulty than at Bombay.¹⁷

¹⁷ D. R., As. Co. B 4: 1797, Jas. Tate to Dan. E. I. Co., Mar. 13, 1793; see previous letters of Aug. 19 and Dec. 19, 1792 in same vol., and Tranquebar factors' letter of July 6, 1792 in vol. 1799.

In Bengal, the Danish company's operations were much more restricted than in Tranquebar. During the American War, the Danish governor Ole Bie had become deeply implicated in the large number of private British trading ventures under the Danish flag.¹⁸ Like his Dutch confrère, Johannes Matthias Ross, Bie established personal relations with the members of the Bengal Council which enabled him to feather his own nest. For several years he himself "farmed" the Bengal government duties on imports and exports entering and leaving Serampore from and to the interior of Bengal. The coming of peace, the departure of Hastings, and the introduction of the stricter regulations for controlling commerce on the Hugli changed all this. Together with the French and Dutch, Bie fought the newer order of things by writing to the Bengal Board of Trade: "The Danish nation did not settle in India to be ruled by servants of the English East India Company, but agreeable to their Royal Firmaund." Such language drew from the Board the caustic comment: "Mr. O. Bie, it would seem from his rapid success arising from the fortuitous circumstance of his having for some years been the principal, if not the sole manager of an illicit commerce from this river is grown so wealthy and refractory as to be swelled beyond all legal restraint and admonition."¹⁹ Shortly thereafter, Bie retired to Europe and to bankruptcy, leaving behind him an atmosphere of distrust and suspicion of all things Danish among influential members of Calcutta society. Johan Leonhard Fix,²⁰ the Danish company's agent at Serampore, was therefore somewhat hard put to it after 1785 in collecting

¹⁸ Royal Library, Copenhagen, Kay Larsen, MS "Dansk-Ostindiske Personalie og Data," article on Ole Bie. Bie, born in Trondjem, Feb. 7, 1733, was transferred from Tranquebar to Bengal in 1762. Thereafter, he was almost continually in Bengal, apart from brief sojourns in Europe, until his death in Serampore, May 18, 1805.

¹⁹ Dutch Records A, 22. Report on the claims of Dutch and Danes quotes the Board's correspondence with Bie in 1784/85.

²⁰ Royal Library, Copenhagen, Kay Larsen, MS *cit.*, article on Fix, shows Fix had been in Bengal since 1767, and was deeply involved in private trading ventures.

funds from British subjects on the Danish company's bills of exchange.

A study of the lists of the Danish company's bills of exchange issued in Bengal reveals few interesting names. Fix and his successors were more adept than their colleagues at Tranquebar in concealing the dealings of their clients. Fix was ready to antedate bills, draw them to his own order, insert the name of a Copenhagen house, endorse in blank, or adopt any device desired by his customers.²¹ From the figures on the books, it appears that the Danish private traders outbid the Company during the American War. In the first seasons of peace, Fix was at an obvious disadvantage in competing with the French and Dutch. The European war scare of 1787/88 tended to redress this balance, for the figures for bills drawn in Bengal in the seasons of 1788/89 and 1789/90 are £83,416 and £63,524. In view of the difficulties of the French and Dutch in getting money at the same time, these figures seem extraordinary. The most plausible explanation of them is a conjecture that the captains and officers of English, Dutch, and French Indiamen were buying Danish bills because of the uncertainties in the international situation. In 1790/91, the figure for Danish company's bills dropped to £25,975, but the war with Tipu promptly drove it up to £68,344. The fluctuations in the figures strongly suggest that, while in the early 1780's the Danish company was getting some of the money of persons like Francis Fowke, John Benn-Walsh, John Bebb, and several opium contractors, they soon had to be content with meager pickings from less prominent members of the European community in Bengal.

At Serampore, as at Tranquebar, the Danish factors adopted the dispatch of sheaves of blank bills of exchange to English agency houses as a regular practice. All in all, £377,666 was paid in London to the account of British holders of the Danish company's Bengal bills of exchange during the ten trading

²¹ Eur. MSS F 3, item 65, J. L. Fix to John Benn, Apr. 24, 1783; also item 24, Fix to Benn, Aug. 29, 1782.

seasons from 1783/84 to 1792/93.²² This is about £100,000 less than the sums collected by the Danish company at Tranquebar, but it should not be forgotten that a considerable portion of the money paid in Tranquebar was transferred to Bengal, sometimes directly, sometimes by the purchase in Madras of bills on the English East India Company's government in Bengal. In pursuing its trade, the Danish company used every facility afforded by the English company's servants in their official as well as their unofficial capacities.²³

For the payment of their bills of exchange in England, the Danish company maintained close relations with four London commercial houses. This procedure dated from the American War, for they had previously given nearly all their business in London to John Collet.²⁴ Of the four principal houses which shared the Danish company's business, none had an English name, but all had been long established in the City. First and foremost came Edmund Boehm & Co. which apparently was German only in name. Edmund Boehm, himself a director of the English East India Company, appears not to have been influenced by any German connections of his family.²⁵ Battier, Zornlin & Co., on the other hand, were a German concern with Hamburg affiliations. The Danish company never wrote to them in English. Peter Thellusson & Co. and Cazalet & Co. were French in origin. Although Cazalet seems to have lost all French connection, Thellusson maintained intimate relations with friends in Paris. For the Danish company, Boehm & Co. was by far the most important firm. It was Edmund Boehm who kept the Danish directors in-

²² D. R., As. Co. A 2:583-595, figures compiled from company's journals.

²³ D. R., As. Co. B 4: 1798, Dan. E. I. Co. to Amos & Bowden, May 6, 1790, *re* purchase of Madras government bills.

²⁴ A. N., T 38, J. Bourdieu to A. Périer, Jan. 23, 1786. The Swedish E. I. Co. in the 1770's did all their London business through Wilson & Co.

²⁵ Edmund Boehm was a director of the English E. I. Co. from 1784 to 1788. The house of which he was the head had long been engaged in the India trade. See B. M., Add. MSS 34685, f. 182 *et seq.*, for letters from Boehm's house to Robert Palk, Governor of Madras, *re* diamond trade in the late 1760's, including copy of bill of exchange drawn on Messrs. Boehm & Sons, representing illicit remittance on behalf of Palk's friends.

formed of the policies of the English East India Company. It was Boehm who wrote letters direct to Danish agents in the East offering his services in any capacity. It was Boehm who shipped Danish silver to China on the English company's ships, and it was Boehm who had the closest connections with those who wished to make illegal remittances from India.²⁶ Of the £858,216 paid holders of the Danish company's India bills of exchange drawn during the years 1783-1793, £291,174 passed through Boehm's hands.²⁷ In their letters to Thellusson, Cazalet, and Zornlin the Danish directors simply listed bills and acceptances. In their letters to Boehm, they sought information on India affairs.

The official correspondence of the Danish East India Company with Edmund Boehm & Co. does not imply that Boehm grossly betrayed his trust as a director of the English East India Company by divulging political secrets. Changes in the English company's commercial policy were easily discovered in London and were soon known on the Continent. Boehm was first given some of the Danish company's London business in 1783 through L. J. Cramer who had doubtless found him useful in financing the private voyages managed by Cramer & Ryberg. Thereafter, Boehm helped out in such matters as warning the captains of Danish Indiamen of the times when smuggling of India goods into England was dangerous.²⁸ His services were used in 1786 in alleviating the ill consequences of the failure of the Copenhagen house managed by Ole Bie. On that occasion the Danish company wrote to Boehm:

²⁶ D. R., As. Co. A 1:110 Dan. E. I. Co. to Boehm & Co., Apr. 12, 1791; B 4: 1798, Dan. E. I. Co.'s factors at Tranquebar to E. Boehm & Co., Jan. 1, 1791, thanking Boehm & Co. for offering their services "to our Board, and to each member in particular."

²⁷ D. R., As. Co. A 2:583-595, figures compiled from the Company's journals. The figures for other firms are: Battier, Zornlin & Co. £153,320; Peter Thellusson & Co. £91,663; Cazalet & Co. £183,433; Alexander Anderson £130,126; Le Mesurier & Secretan £8,500. The corresponding figures for China bills of exchange paid in London are: Boehm £71,569; Battier, Zornlin £19,402; Thellusson £21,907; Cazalet £52,628; Anderson £10,705.

²⁸ D. R., As. Co. A 1:104, Dan. E. I. Co. to Boehm & Co., Aug. 5, 1783 (the first letter to Boehm & Co.); A 1:106 letter of July 10, 1786.

Although every man who knows the Danish Asiatick Company will give but little trust to such a tale that a man like Mr. Bie should be able to shake a well-founded company of commerce like ours that has flourished in so many years, yet, as such ill-grounded reports could by chance be brought over to the Indies and have had consequences in our way of commerce there with your country-men, We beg you to have an advertisement in all your publick papers, but principally in those which are sent to the Indies that above-mentioned Mr. Bie has been out of the Company's service many years ago and has not connexion for a stiver's worth with the Company neither direct nor indirect.²⁹

In 1789 Boehm fended off trouble between the Danish and English companies over the perennial issue of the nawab of Arcot's debts. The nawab numbered the Danish company among his many creditors. The Company had a claim upon him for 60,000 pagodas and was anxious to appeal to the English East India Company for payment because the nawab "had the misfortune last war to have all his revenues seized by the English."³⁰ Knowing the reception such a plea would receive at the India House, Boehm promptly took the matter into his own hands. He advised the Danes to abandon the idea, and offered his own services in an attempt to persuade Pelling & De Fries in Madras to buy up the Danish claim at a heavy discount.

The figures on the Danish East India Company's ledgers and journals afford convincing evidence of the Company's dependence upon Dutch and British capital during and after the American War. Loans raised both in the United Provinces and Austrian Netherlands financed the Company's expansion and the resources of London houses were used for short-term advances to tide over periods of difficulty.

In order to understand the Danish company's financial structure in the 1770's and 1780's, it is necessary to consider

²⁹ *Ibid.*, A 1:106, Dan. E. I. Co. to Boehm & Co., Apr. 18, 1786.

³⁰ *Ibid.*, A 1:106, Dan. E. I. Co. to Boehm & Co., Mar. 22, 1785; A 1:109, to Boehm & Co., Feb. 21 and Apr. 11, 1789; to Thos. & Chas. Wilkieson & Co., Amsterdam, Jan. 16 and Mar. 2, 1790.

briefly its history since 1729.³¹ In that year, the shareholders of the old Asiatic Company, finding their debt too heavy for their small capital, resigned their possessions to the Crown. There ensued three years of trading by private adventurers who divided their profits much in the manner of the investors in the early voyages of the English East India Company. The dissolution of the Ostend Company brought Netherlanders to Copenhagen who began the Danish direct trade with China. From this revival of Eastern trading grew the demand for the incorporation of a new Asiatic Company which the Danish king satisfied on April 12, 1732. The new company, chartered for forty years, was unique in trading on a "certain and uncertain stock." The certain stock, known as the constant fund, comprised 400 shares of 250 rix-dollars each. The uncertain fund represented varying investments by shareholders in proportion to their shares in the constant fund. Under this curious system, the Danish company operated until 1772. Their trial balance for 1752 shows a constant fund of 313,455 rix-dollars and an uncertain fund of 1,825,000 rix-dollars. They had no foreign or domestic bond debt, but borrowed, whenever necessary, from the Copenhagen Exchange and Loan Bank up to 300,000 rix-dollars. Their balances owing in London were below 50,000 rix-dollars. This situation remained virtually unchanged until 1764 when a new era set in with the incurring of a foreign debt in Amsterdam.³²

The Danish company's trial balances after 1764 show not only a series of loans raised in Holland but an increase in balances owing in London. Both these trends indicate increasing expansion and eagerness to coöperate with the British in shaking the pagoda tree. Not only do the figures show that provision had to be made in London for the payment of bills of exchange drawn in India, but they reveal one or two cases of large sums borrowed in London which probably represent remittances from

³¹ H. M. 57, Walter Titley to Lord Harrington, Oct. 5, 1737. This letter contains a careful résumé of the Danish company's affairs 1729-1737.

³² D. R., As. Co. A 2:264, 265, and 266. These volumes contain the Danish company's annual balance sheets 1752-1816.

India. In 1769 the Danish company owed 322,666 rix-dollars to one Hugh Watts, and, after 1768, the sums set aside for the payment of sterling bills of exchange drawn in India were separated from the other balances due in London. After the reorganization of the Danish company in 1772 into an ordinary joint stock company with a fixed capital of 4,800 shares of 500 rix-dollars each, the same trends as before appear in the items representing its foreign debt. Sundry loans raised in Holland are supplemented by individual borrowings in England, notably one of £40,000 from John Hunter of Middlesex. The appearance of the firm of Pye-Rich & Wilkieson among the Company's Amsterdam creditors to the tune of over 500,000 rix-dollars reveals this firm's handling of British remittances from India through the Danish as well as the Dutch company. The height of success of the Danish company as a neutral carrier during the American War is marked by the repayment of 200,000 rix-dollars of Dutch loans. Meanwhile, however, the expanding company had marketed its domestic bonds up to a total of over a million and a half rix-dollars.³³

Dutch participation in the American War forced the Danish company to transfer most of its Dutch debt to the Austrian Netherlands. The ease with which this was done in 1782 by the house of Madame Jean Smets of Antwerp is itself a tribute to the soundness of the Danish company's credit. The Danish company entered the years of peace with a domestic bond debt of 1,688,090 rix-dollars and a foreign bond debt of 891,900 rix-dollars, but with unshakable credit. The war had tripled the amount of business done by it, and increased its liabilities to ten million rix-dollars, a sum which would have seemed incredible to the clerks who took off the trial balance of 1752.

³³ *Ibid.*, A 2:264 and 265, balances as of June 1769, Apr. 1777, 1779, 1781, and 1783. Computations from the statistical tables given in August Hennings, *Gegenwärtiger Zustand der Besitzungen der Europäer in Ostindien*, I, 52 ff., show an excess of sales value of the Danish company's homeward India cargoes over invoice values of outward India cargoes of 5,715,005 rix-dollars for the period 1732-1772. This sum therefore represents the Danish company's profits on its India, as distinct from its China, trade, before deducting costs of freight, home charges, and bills of exchange.

Peace was to prove a real test of its solvency. Almost at once, Pitt's Commutation Act, by depriving the Danes of the profits on smuggled tea, dealt a cruel blow to their China trade.³⁴ For this reason, the unavoidable inclusion of China figures in the Company's home accounts makes it less difficult for us to arrive at a sound estimate with regard to its connection with India. On the whole, the Danish company exhibits the same symptoms of decline which beset the Dutch and French companies but its solvency was never threatened to the same extent. Since the French Revolution became for the Danish company not a destroyer but a savior, we have no means of knowing whether that Company could have weathered the storms of a long era of peace.

The Danish company's books covering the ten years prior to the outbreak of the French Revolutionary wars show no such close connection with London in the purchase of ships and supplies as is true of the French East India Company. The Danish directors bought their copper in Sweden.³⁵ They had no need to go outside the Baltic area for marine stores. Of the staple exports to India, lead alone seems to have been partially bought in England.³⁶ There is only an occasional reference to the purchase of British-built ships by the Danish company.³⁷ In purchasing their bullion, the Danish directors seem never to have dealt with London houses until the practical annihilation of their China trade forced them to attempt to revive it in 1791 by asking Edmund Boehm to buy silver for dispatch to China on the English company's ships. In the earlier years of peace, the Danish company bought its silver through several Jewish dealers in Copenhagen. When these operations became more extensive as a result of increasing

³⁴ On this subject see H. M. 57, Drake's "Observations" on Danish trade, written in 1791.

³⁵ D. R., As. Co. B 4: 1793, H. C. Michell to Danish company's agents, Tranquebar, May 10, 1787.

³⁶ *Ibid.*, A 1:104, Dan. E. I. Co. to Mathew Waters of Newcastle, June 3, 1783.

³⁷ On this point, see Royal Library, Copenhagen, Kay Larsen, MS *cit.*, notices of Danish E. I. ships.

difficulties in getting money from British subjects in India on bills of exchange, the Danish directors gave their orders for silver to Dull & Sons in Amsterdam and to Aeverhoff & Scheven in Hamburg. After 1791 the larger silver purchases were made in Hamburg.³⁸ In the six trading seasons from 1787/88 to 1792/93, bullion valued at two million rix-dollars was shipped to India alone. The figures on these invoices not only indicate the impetus given to silver exports from Europe by the war with Tipu Sultan, but make it absolutely clear that the directors had abandoned all hope of purchasing their entire investment of piece goods with money received in India from the sale of bills of exchange.³⁹

When we turn to the items in the Danish company's ledgers which concern the marketing of India goods in Europe, we observe a sharp increase in the amount of India goods unsold after 1787.⁴⁰ At that date, the Company began to exhibit alarming symptoms of approaching insolvency. These symptoms diminish in intensity during the second year of the war with Tipu, but the French war in Europe followed so swiftly that predictions as to what would ultimately have happened to the Danish company in time of peace cannot be made.⁴¹

³⁸ D. R., As. Co. A 1:110, Dan. E. I. Co. to Boehm & Co., Apr. 12, 1791, acknowledging shipments 80,000 oz. silver per *True Briton*, 20,000 oz. per *Earl Cornwallis*, 100,000 oz. per *Woodford*. In 1787, the Danish company wrote to the Danish consul at Cadiz concerning the direct purchase of silver there, but they never seem to have bought any silver in Spain. Their letter to Bohl Gebrüder of Cadiz of July 14, 1787, shows that this was their first attempt to buy in Spain. See D. R., As. Co. A 1:107, Dan. E. I. Co. to Philip Walsch, July 14, 1787.

³⁹ D. R., As. Co. A 2:541 and subsequent vols. of the Company's ledgers. The figures for the export of silver to India are: 1787/88 — 244,292 rix-dollars; 1788/89 — 103,554; 1789/90 — 435,193; 1790/91 — 248,758; 1791/92 — 649,377; 1792/93 — 348,899. Prior to 1787/88, the India figures are not separated clearly from the China figures. There was however an appreciable export of silver to India.

⁴⁰ D. R., As. Co. A 2:265. The balances as of April in the following years show values of unsold India goods in rix-dollars viz.: 1786 — 91,949; 1787 — 213,659; 1788 — 552,080; 1789 — 613,836. There is a corresponding increase in the figures for China goods unsold. In April 1790, the India and China figures are not separated and total 2,640,000 rix-dollars.

⁴¹ *Ibid.*, the combined India and China figure for unsold goods in Apr. 1791

The mounting stocks of unsold goods after 1787 naturally forced the Company to borrow more heavily. Between 1787 and 1789 the directors borrowed a million rix-dollars in Copenhagen. In 1789 their domestic bond debt stood at 2,885,163 rix-dollars and their foreign bond debt at 850,000 rix-dollars. They had reached the point where they were forced to appeal to the state for help. The Danish king accordingly paid their creditors in Antwerp 436,300 rix-dollars. Even after that, the Company still owed 400,000 rix-dollars in Antwerp and in Amsterdam. The trial balance in 1790 showed claims of London correspondents reaching the unheard-of total of 500,000 rix-dollars.⁴² These figures alone show the Danish company's difficulties in paying their India bills of exchange in London. The directors' letters to their London agents afford amusing confirmation of the significance of these items. There would appear to be no doubt that the directors, at their wits' end to know how to pay their bills, borrowed from Peter to pay Paul with a cleverness that defied detection. Money to pay one creditor's claim often came from another creditor in the same city.⁴³ This game could not go on forever, but better sales in 1791 and 1792 enabled the Company to extinguish a million rix-dollars of debt. Although there was no dividend in 1791 and the price of a 500 rix-dollar share of stock which stood at 900 in 1785 had dropped to 438, the worst was over.⁴⁴ The Danish East India Company's credit was saved. The European wars opened for it an era of unexampled prosperity. When Napoleon sailed for Egypt in 1798, the Danish company's profits as a neutral carrier had already completely paid off its foreign debt.⁴⁵

is 1,013,000 rix-dollars; in 1792, this figure has dropped to 600,000, and apparently refers to China goods only.

⁴² *Ibid.*, domestic bond debt, Apr. 1787 was 1,859,078 rix-dollars.

⁴³ D. R., As. Co. A 1:110, Dan. E. I. Co.'s letters to London and Hamburg during period Dec. 1790–Oct. 1791.

⁴⁴ P. R. O., F. O. 22/14, doc. containing statistics on Danish India trade, dated Dec. 27, 1791, marked R. 23 June 1793.

⁴⁵ D. R., As. Co A 2:266, balance as of Apr. 1798.

The private adventurers in Copenhagen, who ostensibly competed with the Danish company but were really allied with it because of the Company's directors' interests in their success, fared no better than the Company itself. Their books are not available for examination, but, if they were, it is highly improbable that they would tell a story essentially different from the one spread on the pages of the Company's ledgers. These private ventures were of many kinds. There were the purely British adventures such as those run by Captain MacIntosh in the famous *Hussar* and those vaguely noted as financed by "people in India."⁴⁶ At the other end of the scale were voyages which appear purely Danish such as the one supported by the Queen Dowager and her immediate entourage. Between these extremes were an indeterminate number of voyages of mixed ownership. Most of these were managed by the great commercial houses of Copenhagen for their own benefit and that of the British subjects who supplied the capital. In others, the extent of British participation is not so clear. The Danish West India Company traded to the East Indies at least twice during the 1780's, and we also find references to ships sent out by the Baltic Company.⁴⁷ Whatever the ownership of vessel and cargo might technically be, all of these voyages depended to a large extent on money supplied in India by British subjects. In return for this capital, the managers of the voyage gave not bills of exchange but respondentia bonds payable in London after the sale of the cargo in Copenhagen. There was no insurance unless the British investor paid for it himself. The managers of the voyage assumed no liability whatever in case of losses of any kind.

During the ten years of peace beginning in 1783, approximately fifty-five voyages between Europe and India were completed by ships flying the Danish flag and managed by private

⁴⁶ H. M. 57, "An account of the cargoes of sixteen India ships sold at Copenhagen in 1785." Jan. 10, 1786.

⁴⁷ D. R., Kommerce-Kollegiet, Ostindiske Sager, 1781-1792, Angaaende den Ostindisk-kinesiske Handel. "Efterretninger om den Ostindiske og Chinesiske Handel." dated 1789.

adventurers.⁴⁸ Sixteen of these, which arrived in Copenhagen in 1785, were really war voyages financed by people anxious to remit their fortunes to Europe before Pitt's India Act took effect. As such, they attracted much attention both in London and in Copenhagen. There would appear to be no doubt that they disappointed the expectations of their backers. Among them all types were represented. There were the *Juliana Maria* owned by the Queen Dowager, the *Hussar* of Captain Mac-Intosh who was really a "country" trader doing business in Tranquebar, the *Achilles* owned by Ole Bie, the *Norsk Löve* owned by the Baltic Company, and the *Copenhagen* managed by that master of clandestine trading, William Bolts. Their cargoes were worth about 300,000 rix-dollars each, but they were dumped on an overstocked market. Although these cargoes brought in 5,000,000 rix-dollars at the sales, there were hardly three or four of them that netted a profit on the costs of the whole adventure. Most of them averaged losses of 50,000 rix-dollars each.

It must not be thought that these cargoes were entirely bought with money supplied by British subjects in India. These ships had carried out European goods to a value of at least 1,000,000 rix-dollars, and the expense of fitting them out, though less than that paid by the English, French, Dutch, or Danish companies, was nevertheless an appreciable item.⁴⁹ To the holder of a respondentia bond, they were an essentially unsafe mode of remittance. He could never be sure what por-

⁴⁸ The number of these voyages is arrived at by supplementing the lists in D. R., Kommerce-Kollegiet, Ostindiske Sager and in H. M. 57 with every scrap of information to be found in the records of the Dutch and French East India companies, and in the Larsen MS in the Royal Library at Copenhagen.

⁴⁹ The profits and losses on these cargoes and the amounts of the outward invoices are estimated in D. R., Kommerce-Kollegiet, Ostindiske Sager, 1781-1792, Angaaende den Ostendisk-kinesiske Handel. The documents on Danish trade in H. M. 57 chiefly concern the homeward cargoes. These sixteen cargoes represent slightly under half the total number of Danish "war" voyages. Thirty-eight ships are said to have sailed under Danish colors between the spring of 1779 and the autumn of 1782 with naval and military stores for the Dutch, French, and Tipu. The Danish king's ministers and Prince Frederick heavily invested in them. See P. R. O., F. O. 22/16, Michell to Grenville, June 25, 1793.

tion of his original investment would accrue to him in Europe in case the managers of such ventures went into bankruptcy. Moreover, there was much double-dealing and chicanery at the sales in Copenhagen. Men who are chiefly interested in assisting others to violate the laws of their country are not overscrupulous in their methods. The directors of the Danish company, who controlled the sales, were able to manipulate prices to their own advantage.⁵⁰

Under the conditions prevailing in India at the close of the war, the Danish private adventurer had to be content with an inferior cargo. Those with whom he dealt usually had been obliged to invest their illicit gains in cloths of inferior quality. This was especially true in southern India. There, it was the custom for a private ship, such as the *Hercules* owned by Alexander Brown in Copenhagen, to wait at Tranquebar while Gowan Harrop of the agency house of Harrop & Stevenson went surreptitiously to Madras to bargain with the English company's servants for their so-called "surplus" cloths.⁵¹ In Bengal, the dangers of remittance on Danish respondentia were acutely appreciated. The leading Calcutta agency houses often had difficulties in persuading their best clients to take a chance on it. On July 19, 1785, Joseph Fowke wrote from Bengal to William Hollond in London:

I can aver upon my own certain knowledge that the contraband traders to Copenhagen and Lisbon have made losing voyages. Captain Mercer is the only man of property engaged with the Danes and is in his principles just and honest. But Captain Mercer had his whole fortune put to risk on one bottom in his last voyage without insurance.⁵²

A month later, the agency house of Paxton, Cockerell & Delisle tried to restore Joseph and Francis Fowke's confidence in the Danes by writing as follows:

⁵⁰ A. N., AJ¹ 236, French E. I. Co. to Sauvage, agent at Copenhagen, Feb 9, 1787.

⁵¹ D. R., As. Co. B 3: 1713, Tranquebar Sea-Customers' accounts, entry of Feb. 24, 1785.

⁵² Eur. MSS E 6, item 63, J. Fowke to W. Hollond, July 19, 1785.

For our own part, we in general give the preference to respondentia bonds over bills of exchange, and had it not been from an idea of your total rejection of foreign remittances, we should have ventured to recommend some of the Danish ships to you as perfectly secure notwithstanding the cloud under which from the present reports of the ill success of adventurers to Denmark, the Danes have laid, and we should have recommended one of the ships in particular, the *Supracargoes* of which brought out bills on this place to the amount of 3,00,000 rupees negotiated at a capital house in London, the head of which is no other than Mr. Edm^d Boehm, the E. I.^a Director.⁵³

The sixteen private cargoes sold in Copenhagen in 1785 were not exceptional in yielding little or no profit. The evidence which survives concerning similar cargoes sold in subsequent years gives no ground for thinking that these adventures ever did much more than break even. Of four cargoes recorded in 1786, two, those on the *Patientia* and the *Graf Bernstorff*, yielded profits of 38,000 and 63,000 rix-dollars respectively to their owners, Cramer & Black, and De Coninck & Reyerson. On the other hand, the *Lucie Emerantia* of the Danish West India Company and the *Norge*, belonging to "Bolten," lost 25,000 and 4,000 rix-dollars respectively. In 1787, all five cargoes made profits, but these were of unimpressive size. A year later, small losses reappear and the net profits grow still smaller. The figures to be found in the East India papers of the *Kommerce-collegium* tend to support the view that only under war conditions could such cargoes yield large returns. In peace time they tended to become merely a channel for the remittance of British funds from India which was essentially precarious and unreliable.

The precise amount of British remittances through Danish private traders can never be ascertained. In addition to cargoes sold in Copenhagen, there were cargoes smuggled ashore at remote points on the British and Irish coasts. In such cases, the ship was only nominally Danish and had little or no connection with Copenhagen merchants. The *Enrom*, which

⁵³ Eur. MSS D 12, item 109, Paxton, Cockerell & Delisle to Fowke, Aug. 24, 1785.

smuggled goods ashore off Falmouth in 1788, provides an excellent example of flagrant violation of the East India Company's charter. Her captain, Joseph Greenway, ex-carpenter of the Honourable Company's ship *London*, had a wife and family at Plymouth where he had recently bought property. Nevertheless, he professed to be a naturalized Dane with a house in Copenhagen. With him were his own nephew as third mate and two Londoners as first mate and purser. Nearly all his crew were English. When interrogated regarding the ownership of his cargo, he claimed nearly all of it as his own. He explained that the goods had been supplied by his creditors in Madras, especially by Sir Thomas Rumbold who owed him £18,000. He added that he had put in at Falmouth only for water, but the agent of the East India Company noted that he bought a one-hundred-thirty-ton sloop and manned her with a British crew under his Dutch second mate, Hans Falck, as nominal "Danish" captain. Accompanying her out to sea, Greenway undoubtedly broke bulk and sent her off with part of his cargo to Guernsey. While he was off Falmouth, another large cutter hove to and waited for him to join her at sea. The real nature of the *Enrom's* voyage was best revealed by her passenger list. She was bringing home a half dozen of the Honourable Company's faithful servants on the Madras establishment, among them George Westcott whose irregularities in the matter of bullock-contracts are spread on the records of the Madras Council for 1787, and Alexander Ferrier, ex-surgeon, who was said to have bought the *Enrom* for a voyage for the following season.⁵⁴

⁵⁴ Aud. Ref. 4, John Carne, E. I. Co.'s agent at Falmouth to the Court of Directors, July 22, 1788. A similar case is that of the *Prince de Kaunitz*, owned by Edward, "Vicomte de Walckers" of Brussels, and commanded by Pendock Neale "a native of Great Britain and burgher of Ostend." Her manifest, seized by the customs officers at Deal, indicates that smuggled spices were becoming the mainstay of such clandestine trade. She carried only 8 bales of China goods and 35 of India "piece goods"; the bulk of her cargo consisted of sugar, coffee, pepper, drugs, and cloves. See Aud. Ref. 5, James Hume to Court of Directors, Oct. 6, 1791.

To the fifty-five voyages of Danish private adventurers reported by the British agents in Copenhagen, ten more may safely be added. References to Danish ships by servants of the Dutch, French, and Danish companies fully justify an opinion that sixty-five India voyages were made by Danish private ships during the ten seasons prior to the outbreak of the French wars. It is absolutely certain that ships like the *Enrom* were British in almost every respect. They were often British built, always British insured, and their outward cargoes originated in London. By taking 300,000 rix-dollars as the average value of a private India cargo sold at Copenhagen under the supervision of one of the great Danish commercial houses, we arrive at 19,500,000 rix-dollars as the total value of goods imported by these ships. From this amount at least two millions must be deducted for outward cargoes and five millions for India goods on Danish account.⁵⁵ Twelve millions therefore remains as the approximate amount of British remittances from India through Danish private channels. Since the figures which survive regarding sundry voyages indicate that private adventures did no more than break even in peace time, the amount paid in London by Edmund Boehm and others to British holders of Danish respondentia bonds can hardly have exceeded the equivalent of twelve million rix-dollars or two million pounds.

Next in importance to Copenhagen as a base of operations for private adventurers in the India trade came Ostend. The decline in the number of Danish private voyages after 1786 is no doubt to be attributed to the competition of Ostend. Much of the revived activity of Ostend may certainly be ascribed to the Commutation Act which temporarily dislocated the economic life of the port by throwing large numbers of British smugglers out of work.⁵⁶ Deprived of the opportunity

⁵⁵ These figures are estimated from the tables of Danish cargoes dated Dec. 27, 1791 in P. R. O., F. O. 22/14 which separate "foreign" from Danish account.

⁵⁶ Marine Misc. 325, "Note des vaisseaux équipés à Ostende" dated 1787.

to smuggle tea, these men and their employers turned to the smuggling of India goods, a pursuit which had formerly been virtually monopolized by that curious institution, the Imperial East India Company of Trieste.⁵⁷

This child of two bold scoundrels who dared not trust each other was a truly international organization. William Bolts, Dutch ex-servant of the English East India Company, father of numerous schemes in the late 1770's for bringing fabulous sums to Europe by violating the Company's monopoly, and Count Charles de Proli, unscrupulous Antwerp promoter, son of a director of the old Ostend Company, cared not whom they employed. They took into their service Frenchmen, Scotsmen, Englishmen, and Portuguese. The use of Trieste was a mere blind to circumvent the Anglo-Austrian treaties forbidding the revival of the Ostend Company. Prominent families in the Austrian Netherlands were heavy subscribers to their capital. Bolts and his friends fitted out their ships at Ostend, Leghorn, Nantes, Lorient, Amsterdam, Bordeaux, and London. The ships which bore purely Austrian names such as *Prince de Kaunitz*, *Cte. de Kollowrath*, *Cte. de Zinzendorf*, *Archiduc Maximilien*, *Le Croate*, and *Le Hongrois* were insured in Antwerp, London, Hamburg, and Marseilles. In the East the Imperial Company flirted with Tipu and extended its operations from Delagoa Bay to Pegu and Canton. The approach of peace in 1783 presaged ruin to such wild dreams, yet the Count de Proli went gaily on. In 1782, he began to postpone shareholders' meetings and conceal balance sheets.⁵⁸ In February 1785, the final blow fell. Orders were sent to stop the Company's *Aigle Impérial*, then loading her dollars in Spain.

⁵⁷ For a complete account of this company, see Franz von Pollack-Parnau, "Eine österreichisch-ostindische Handelskompagnie 1775-1785," *Vierteljahrsschrift für Social und Wirtschaftsgeschichte*, Beiheft XII (Stuttgart, 1927).

⁵⁸ A. A. E., Corr. Pol., Pays Bas Espagnols et Autrichiens, 174, f. 323, "Mémoire," signed by Louis Dessaulchoz; B. M., Add. MSS 32,165, journal of an agent of the Imperial Company in India 1782-1785. In all probability, this agent was Lieutenant Immens, mentioned by Pollack-Parnau, *op. cit.* The Company's agent at Mangalore who dealt with Tipu was one Murdoch Brown. Insurance tables for this company's ships are in A. N., T 77.

The Cadiz merchants who had been duped into supplying the silver wrote to Proli: "Une semblable conduite crie vengeance, et nous la demandons avec larmes à la face de l'Europe."⁵⁹ The Hopes in Amsterdam, the Herries in Ostend, the Salucci in Leghorn, and Gildart & Reid in London prepared to write off their losses. In Antwerp, the Count de Proli's family shut themselves up in their *hôtel*, and a former servant of the old French East India Company, his own position with the Imperial Company lost in the crash, wrote sadly to a friend, "La pauvre M^{lle} Henriette [de Proli] est bien à plaindre, qui l'aurait crû!"⁶⁰ Henceforth, the field of illicit trading from Ostend was entirely open to men whose ambitions were more modest than those of the Count de Proli.

The managers of private India ventures from Ostend never sought publicity. Their dealings are far more difficult to trace than those of their fellows who used the Danish flag. Unquestionably, many of the Ostend voyages were wholly British. The *Eagle*, Captain Duncan, the *Comte de Belgioioso*, Captain Mullins, and the *Madonna*, Captain Popham, all of which appear on a list sent from The Hague to London in April 1787, can hardly be otherwise.⁶¹ Other ships often have a flavor of Flanders, Austria, Savoy, or Tuscany, which conceals a British interest of indeterminate dimensions. Precisely what ownership is shrouded under the names of the *Société Triestine à Trieste* and the Vicomte Edouard de Walckiers of Brussels can never be known.⁶² Since George Keith & Co. seem to have managed nearly all sales of India or China goods at Ostend, there is hardly a doubt that Charles Herries & Co. paid much of the proceeds into the hands of British holders of respondentia bonds bought in India. They also must certainly have provided most of the outward cargoes and negotiated nearly all the insurance.

⁵⁹ A. N., T 77, undated, complaint to Proli by a house at Cadiz.

⁶⁰ *Ibid.*, Louis Dessaulchoz to Pierre Bordeaux, dated Antwerp, Feb. 23, 1785.

⁶¹ Marine Misc. 325, "Note des vaisseaux équipés à Ostende."

⁶² A. R., Van Hogendorp MSS (1913), 144, list of sales at Ostend, printed as an appendix to a memorial on the case of the *Antonetta*.

Ostend welcomed any and every type of Indiaman. In the winter of 1788/89 arrived the *Concordia*, Captain Zimmermann, said to be owned by Tod & Atkinson of London. As she had previously broken bulk in the dead of night off the Isle of Wight, it was not her whole cargo which George Keith & Co. later sold at Bruges for the account of her "owner," the Vicomte Edouard de Walckiers. Her British ownership is further attested by the fact that she had originally cleared from Ostend for Bombay with an outward cargo brought from London to Ostend by three small vessels, the *St. Joseph*, the *Nancy*, and the *Sampson*. On her homeward invoices every kind of India and China goods appeared, including 1,600 bales of Surat cotton which was then coming into greater demand on account of the expansion of the Manchester cotton industry. At about the same time, the *Gloire d'Anvers*, Captain Thomas Place, came in bringing 1,700 bales of Surat cotton, together with camphor and Arabian drugs, to be sold by Thomas Blake, George Dyer, and others.⁶³ Later in the year 1789, several Indiamen which were not entirely British appeared at Ostend under various flags. The *Comtesse de Trautsmendorff* was wholly owned by a Frenchman, Michaux de la Rozière, who was trying to make his fortune. She was, however, loaded with the illicit gains of British subjects in Bengal. De la Rozière himself belonged to the group of French merchants who believed they could revive the prosperity of the India trade by becoming carriers for the British. More French in character was the voyage of the *Hedwige Sophie* which carried Swedish colors. She had been chartered by Rabaud & Co. of Marseilles in order to violate the French company's monopoly. Faced with the loss of a cargo worth three million *livres* on the outbreak of the Russo-Swedish war, Rabaud & Co. pleaded with Necker for permission to unload at Lorient. All they could obtain was a permission to transfer the cargo for shipment to Ostend on a neutral vessel. In May 1789, the *Hedwige Sophie's*

⁶³ *Ibid.*, items from *Concordia* and *Gloire d'Anvers*; Aud. Ref. 4, Capt. Chas. Cobb of H. M. Scout *Downes* to the Court of Directors, Nov. 16, 1788.

cargo from Bengal and Madras was marketed by Senn, Beder-mann & Co. of Brussels.⁶⁴

The *Hedwige Sophie* was a ship which had no definite link with Ostend, and yet sold her cargo there. Accounts of other sales at Ostend strongly imply that sundry ships flying Tuscan, Savoyard, Genoese, or even Russian colors followed a similar practice. Their occasional appearance in India is certain, but there is no proof that they always used Ostend as their port of debarkation in Europe. They were the mystery ships of the illicit trade and may often have changed their colors to suit the occasion. Among them belonged the huge French ship which appeared at Bombay under Russian colors in October 1785.⁶⁵ Sometimes they had English commanders. There was the *Ville de Vienne*, Captain Ingram, formerly in the service of the Count de Proli, but such ships as the *Prince de Piémont*, Captain Perfumo, and the Genoese *Prudenza*, Captain Kirschbaum, afford no proof of British ownership. In nearly all these cases, the logs, if they existed, would probably reveal circuitous voyages spanning half the globe in search of profit.⁶⁶

Without profits of some kind for somebody, the illicit India trade based on Ostend would not have continued. Nevertheless, there is no reason to suppose that these private adventurers fared any better than those who had their headquarters in Copenhagen. Disaster was frequent enough to engender a rooted distrust of them by Europeans in India. In October 1785, George Smith wrote to Henry Dundas of the closing of the channel of remittance from Bengal through foreigners because of the heavy losses "attending the remittances already made through them."⁶⁷ Ozias Humphrey, the portrait painter, sent home the proceeds of his lucrative sojourn in Calcutta

⁶⁴ A. N., AJ¹ 13. French E. I. Co. to Blondel, *intendant des finances*, Oct. 27, 1788; "Observations" on de la Rozière's "Mémoire" of June 2, 1790; A. R. Van Hogendorp MSS (1913), 144, Ostend sales list.

⁶⁵ H. M. 434, Geo. Smith to Dundas, Oct. 21, 1785.

⁶⁶ A. R., Van Hogendorp MSS (1913), 144, sales list.

⁶⁷ H. M. 434, Geo. Smith to Dundas, Oct. 5, 1785.

through the Danish and English East India companies rather than through private traders. A fellow artist searching after the wealth of the "nabobs" had warned him "never to lend money" but to remit any sums he could "using at all times the precaution of taking draughts upon public Companies in preference to any private securities whatever."⁶⁸ Joseph Fowke was extremely skeptical of "foreign" remittances in 1784 when he wrote to his son:

Prodigious offers are held out of 2s. 3d. the Current Rupee by the channel of foreign remittances. I should not for my own part chuse to trust any of them. It is too great a venture. They have failed once, and for that reason are the more likely to fail again.⁶⁹

Six more seasons of trading did not increase confidence in the private adventurer. Reviewing the whole subject of foreign shipping in 1791, the French East India Company's Bengal agents, in reporting the presence of four "Ostenders" at Calcutta, said: "It is difficult to suppose that these ventures, always inconsiderable . . . will afford opportunity for new speculations. One can prophesy that their numbers will diminish and perhaps cease altogether."⁷⁰

Sir John Peter, British consul at Ostend, in attempting in 1790 to estimate the amount of illicit India trade, set it at £100,000 a year.⁷¹ This estimate which would presumably mean that British remittances from India through "Ostenders" did not exceed £1,000,000 in ten years of peace is certainly too low. At least forty such voyages were completed.⁷² If we assume that private adventurers at Ostend fared no better than their fellows at Copenhagen, their gross return per voyage

⁶⁸ B. M., Add. MSS 22, 951 f. 1. Ozias Humphrey remitted £1,100 through the Danish E. I. Co. on Jan. 16, 1788. This bill was paid through Battier, Zornlin & Co. in July 1788. See entry in Danish E. I. Co.'s Journal, D. R., As. Co. A 2:588.

⁶⁹ Eur. MSS E 6, item 19, J. to F. Fowke, June 26, 1784.

⁷⁰ A. N., AJ¹, 353, Bengal agents to French E. I. Co., June 20, 1791.

⁷¹ P. R. O., B. T. 6/48, report of Sir John Peter, dated Nov. 19, 1790.

⁷² This number includes mystery voyages which may not have used Ostend exclusively. It is arrived at by listing all Ostend ships referred to in the India Office and in the archives at Paris, The Hague, and Copenhagen.

should average £50,000 on the India portion of their cargoes. This figure is probably a safe average because the proportion of China goods in Ostend cargoes was undoubtedly high. No China cargoes could legally be privately sold in Copenhagen because of the Danish company's monopoly. An average of £50,000 per cargo means a gross return of £2,000,000 from sales of India goods in ten years. In order to estimate the net British return paid to those who remitted their funds from India in this way, sums representing the value of outward cargoes and the portion of homeward cargoes not for British account must be deducted. These sums can never be accurately estimated. These ships obviously carried cargoes from Europe in which silver may have played a small part, and several of them were certainly managed for the benefit of foreign and not British interests. A million and a half pounds is probably a liberal estimate for the amount thus remitted to London. If we add to it the net return of the half dozen private French ships which carried British property to Europe during the two years prior to the formation of Calonne's East India Company,⁷³ we arrive at £1,800,000 as the maximum amount paid in London on account of respondentia bonds or bills of exchange sold in India by the promoters of this illicit "floating" India trade which had no real home port save Ostend.

Without further information from the Portuguese archives, an accurate estimate of the illicit India trade of Lisbon cannot be made. There is good reason for thinking that Lisbon ranks behind both Copenhagen and Ostend. In the last years of the American War, the Portuguese trade from Bengal may have equaled that of the Danes, but private adventures to Europe under Portuguese colors had certainly become inconsiderable after 1787. The agents of the French East India Company record only three Portuguese private ventures during the ensuing six trading seasons.⁷⁴ It would be wrong, however,

⁷³ A. N., AJ¹ 40, Bengal agents to French E. I. Co., dated Jan. 20, 1788, lists eight such ships, one of them wholly freighted by Messrs. Keble & Petrie.

⁷⁴ *Ibid.*, Bengal agents' letters for seasons 1787/88-1792/93.

to suppose that British subjects in India had no Portuguese connections. Such connections most certainly did exist, but they were nearly always concerned with "country" trade, and not with direct trade to and from Europe. Then, as now, Goa was a center of Indo-African trade. Today, Goa is a mere outpost of Portuguese Africa. In the eighteenth century the positions were reversed. Behind the Portuguese slave trade, there lies what is probably an unsavory chapter of Anglo-Portuguese coöperation. Anglo-Indian "country" merchants also undoubtedly played their part in the trade between Goa and China through Macao. In Goa, the agency house of Henshaw & Stuart must certainly have performed functions similar to those performed by Harrop & Stevenson in Tranquebar.⁷⁵ The Portuguese on the west coast of India, like the Danes on the east coast, provided opportunities for British subjects engaged in "country" trade.

Portuguese private ventures to Lisbon, in so far as they existed, were managed no differently from the similar enterprises at Copenhagen. There were in Lisbon British and Portuguese merchants anxious to further the business. The Portuguese government's policy with regard to this trade was one solely of expediency. While the war was on, the queen reaped a harvest by charging duties on private ventures from India. After the peace, she lowered the duties to encourage a trade which did not seriously interfere with the small number of regular Portuguese voyages to Goa and Macao. In India, the promoters of Portuguese ventures sold respondentia bonds through the English agency houses in the usual way.⁷⁶ In the summer of 1785, Paxton, Cockerell & Delisle invested 20,000 current rupees for Francis Fowke in "Mr. Fleetwood's remittance" and sent to their London house a respondentia bond on the Marquis

⁷⁵ Aud. Ref. 4, papers *re* a bill of exchange improperly detained by Alex Coutts, 1788.

⁷⁶ A. R. O. B., Bengale 1791, I, Blume's notes on Portuguese freights, Apr. 1789; D. R., As. Co. B 4: 1792, John Peter Boileau to Danish agents, Tranquebar, Oct. 20, 1785, referring to Portuguese offers of respondentia, netting 9 shillings per pagoda.

d'Angeja which they ordered insured for passage to Fowke's credit when in cash. On this subject, they wrote to Fowke:

Mr. F[leetwood] brought out letters of recommendation with him from the first houses in Lisbon, and the admirable political regulations adopted by the Portuguese state giving India Respondentia bonds the preference over all other claims upon the ship, [which] renders Portuguese remittances upon Respondentia the most secure . . . You may rely upon our attention to that part of your Instructions desiring that your name do not appear in it.⁷⁷

Many such Portuguese respondentia bonds may have been paid through Cazenove & Company, the London house which, of all those dealing with the English and French East India companies, seems to have had the closest connection with Lisbon. The French company's agents in Lisbon thought the sales of India goods were very badly managed by the Portuguese. There was no possible way of controlling the market, and the town was full of spies employed by various East India merchants. Their correspondence indicates that the amount of goods brought on British account had much dwindled by 1789.⁷⁸ As there seems no good reason for believing that there were more than twenty private ventures to India under Portuguese colors, British subjects probably did not remit over £800,000 by this means. The complacency of the Lisbon authorities with regard to British participation in Portuguese trade was not always shared by the Portuguese officials in Goa who realized that British participation in the "country" trade alone might mean the extinction of the last vestiges of Portugal's power in the East. In December, two members of the Council in Goa reported to Lisbon:

It cannot be doubted that the intention of the English is to absorb all the commerce, and place us under the necessity of abandoning as useless all the possessions of Her Most Faithful Majesty upon

⁷⁷ Eur. MSS D 12, item 109, Paxton, Cockerell & Delisle to Fowke, Aug. 24, 1785.

⁷⁸ A. N., AJ¹ 223, Gourlade to Pothonnier, French E. I. Co.'s agent in Lisbon, Aug. 29, 1786; AJ¹ 237, French E. I. Co. to Lefèvre Dittmer et Cie, Lisbon, Aug. 11, 1789.

this coast of India; however they have known how to direct their ambition with true policy making a wealthy and abundant commerce active, and industrious, and equally profitable, and of good faith to the Asiatics, from whom they receive the produce and manufactures, very different from the business which the state entrusts to a few miserable and indolent heathens of bad faith who even by treason have robbed of large sums all Balgati, Mangalore, and other ports of the South. These men who unworthily carry on the commerce have ruined and brought great discredit upon the Portuguese name which has greatly concurred to increase the commerce, strength and glory of the English name in this part of Asia.⁷⁹

Although Copenhagen, Ostend, and Lisbon welcomed nearly all the ships wholly or partially freighted by British subjects in violation of the East India Company's charter, there remained one other channel for Anglo-Indian remittances to Europe, a channel which had not existed before 1783. Late in December 1784, the *United States*, the first American vessel to arrive in India, appeared off Pondichéry. Owned by Thomas Willing of Philadelphia, she began a trade in which British remittances from India were bound to have some share.⁸⁰ Although the *United States* brought out silver, it was not long before the British consuls at American ports were reporting the arrival of India goods purchased with British funds supplied in India. The second American venture to India, that of the *Hydra*, captained by one John Haggy, ex-first mate of the East India Company's ship *Royal Henry*, differs but little from many an adventure under the Danish flag. The *Hydra*, owned by her supercargo William Green in partnership with "Mr. Champlain of Rhode Island" and some English merchants, was refitted in the Thames for her voyage to Bengal. Prior to the ratification of Jay's Treaty, there was no serious attempt to interfere with circuitous voyages to and from India under the American flag. Such ships could indefinitely post-

⁷⁹ Port. Trans., Conselho Ultramarino, vol. 3, part 2, p. 431, report of the chancellor and councilor of state, dated Dec. 8, 1790.

⁸⁰ For an account of the American trade to India from 1784 to 1812, see H. Furber, "The Beginnings of American Trade with India 1784-1812," *New England Quarterly*, XI, 235-265.

pone their return to an American port. They also could, and did, introduce India goods into West Indian ports. The *Chesapeake*, commanded by John O'Donnell, a former officer in the Bombay Army who had done much to interest the American Congress and American merchants in the India trade, was fitted at Bordeaux. On the *Chesapeake's* arrival at Calcutta in 1787 a French port-clearance, a British crew, and an obvious intention of trading on British capital did not prevent O'Donnell from landing his cargo.

Since the American trade to India had hardly gathered momentum before the beginning of war in 1793, British subjects in India cannot have remitted large sums to Europe on American ships prior to that date. The circuitous nature of American voyages, which often included Mauritius and Canton, tends to obscure their connection with Anglo-Indian capital. Moreover, American ships usually carried outward cargoes of greater size than those carried by Danes, Portuguese, or Ostenders. Whenever the voyage originated in America, a sizable quantity of good hard dollars were certain to be on board, and if a *bona fide* American was promoting the voyage he was interested in making a substantial profit and not merely in breaking even or just making his expenses to oblige friends who wished to remit funds secretly from Calcutta, Madras, or Bombay.⁸¹

Among all the foreign flags displayed by ships loading cargoes for Europe in British Indian harbors after 1783, the banner of one great European power was never to be seen. As far as we know, the flag of Spain was never hoisted on a private adventurer's ship making a direct voyage between India and Europe at this period. Nevertheless, there was a connection between British and Spanish commercial enterprise in the East. That connection grew out of the revolution

⁸¹ The exact amount paid by British subjects in India for respondentia bonds or bills of exchange issued by American supercargoes before 1793 can hardly be accurately estimated. The small number of direct India voyages would indicate that this amount cannot have exceeded £500,000, and was, in all probability, much less.

in Spanish commercial policy which began about 1760. Before that date the Spaniards were content to supply the European East India companies with silver for export to India and China. They had no other important connection with India. The Philippines were merely an appendage of the Spanish empire in America. Manila's only link with the mother country was the annual galleon sent to Acapulco in Mexico.⁸² The Philippines were in the West not in the East. By 1782, this situation had radically changed. The Pacific had ceased to be a Spanish lake. Spanish men-of-war had frequently used the route to Manila via the Cape of Good Hope. Spanish merchantmen were occasionally plying between Manila and San Blas. The leading Creole families and ecclesiastical authorities at Manila who held vested interests in the profits of the Acapulco galleons had lost their privileged position.⁸³

With the coming of peace, merchants in Madrid and Cadiz were quick to develop further projects for expanding the trade of the Philippines, projects which naturally concerned not only the English East India Company but the English agency houses in India as well. Schemes to develop trade between Europe and the Philippines via the Cape of Good Hope must inevitably bring the Spaniards into contact with the English "country" trader. In 1785, François Cabarrus, a Frenchman influential at the Spanish Court, succeeded in forming the Royal Philippine Company on the ruins of the old Caracas Company. Backed by the Crown, the great Spanish banks, and the former directors of the Caracas Company, the Philippine Company planned an extensive trade in Asia. The idea of purchasing India goods for sale in Manila, Spain, and Spanish America did not escape Cabarrus and his associates.⁸⁴ For reasons

⁸² On this subject, see W. L. Schurz, *The Manila Galleon* (New York, 1939).

⁸³ H. Furber, "An Abortive Attempt at Anglo-Spanish Commercial Co-operation in the Far East in 1793," *Hispanic American Historical Review*, XV, 448-463. In 1788, the cargoes of three Manila galleons were said to be lying unsold at Acapulco because of the competition of India goods brought into Vera Cruz by the Philippine Co. See A. N., Marine, B⁴ 278, extract of the log of the *Prévile*.

⁸⁴ The Company's ships could go out via Buenos Aires and Cape Horn, pro-

which are not altogether clear, they did not apply to the Calcutta agency houses for goods until 1787. It may be that Cabarrus had for two years entertained sanguine hopes of being able to supply his needs through coöperation with Calonne's East India Company. Rayneval in 1785 and 1786 had constantly urged the directors of the French East India Company to come to terms with the Spanish Philippine Company. This idea had helped to reinforce Vergennes' hostility to an amicable arrangement between the French and English companies.⁸⁵

The Spanish Philippine Company apparently made its first actual purchases in Calcutta through the Portuguese firm of John and Lewis Da Costa who agreed to ship goods to Manila on Portuguese "country" ships. When the Da Costas' resources proved insufficient for the purpose, the Philippine Company simultaneously approached the British agency houses and the East India Company itself. The Spanish company did this not in India but in London in May 1788. The English company's Court of Directors were thus placed in a dilemma. Either they must conclude an international cartel somewhat similar to the one formerly discussed with the French East India Company or they must allow the Calcutta agency houses to do the business. Shortly after the negotiations on the subject began, William Paxton wrote the Court of Directors asking for assurance that they would put a "favorable construction" on the prohibitory acts of Parliament so that he might go to Madrid and get the business for Paxton, Cockerell & Delisle. The Court's knowledge that this would surely happen either within or without the law in all probability made the Court

vided large amounts of specie were not taken from South America, but they must return via the Cape of Good Hope.

⁸⁵ F. L. Nussbaum, "The Formation of the New East India Company of Calonne," *Am. Hist. Rev.* XXXVIII, 475-497. French discomfiture at the prospect of the Anglo-Spanish agreement is reflected in an extract of the log of the *Préville* which accompanied the *Pandore* to the China Seas in 1787/88. The compiler of her log accused the English of proposing to permit the Spaniards to found a *sterile* factory on the Coromandel coast while the English received lucrative privileges at Manila. See A. N., Marine, B⁴ 278.

more eager to come to terms with Don Fermin de Tastet who acted for the Philippine Company.⁸⁶

Negotiations with Don Fermin de Tastet proceeded far more smoothly and happily than the similar negotiations for an agreement with the French company two years before. The Hastings faction was no longer strong. The Court, through the India Board of Control, was more firmly under the thumb of Dundas and Pitt. Considerations of national prestige and power in India did not trouble the Spanish negotiators. Neither nation considered the other as its rival for Eastern empire. From a British standpoint, an agreement with a Spanish East India company was far more attractive than one with a French. It had an aroma of hard Mexican dollars about it which was very alluring. Moreover, it provided an opportunity for getting British goods into Spanish America, a market which was then tempting British merchants more than ever before because it had hitherto been almost hermetically sealed by the monopolistic policy of the Spanish Crown. The possibility of receiving \$600,000 into the East India Company's cash at Calcutta or Canton was undoubtedly attractive. In spite of these solid advantages, the Court of Directors could not completely rid themselves of the prejudices of their age. They haggled over the size and composition of the Philippine Company's India-bound cargoes as if they were afraid the Spaniards would export goods instead of dollars. The Court's committee of correspondence frankly wished to allow the Philippine Company to export only brandies, wines, fruits, and cochineal so that there would be no competition with British exports. Suspecting possible collusion between the Spanish supercargoes and British agency houses, the committee insisted that the Philippine Company's agents at Calcutta and Madras should be *bona fide* Spaniards. To this ostrich-like refusal to face facts, Don Fermin de Tastet sent a stinging reply which went straight to the point:

⁸⁶ Aud. Ref. 4, Wm. Paxton and Brown S. Rogers to Court of Directors, May 21, 1788, and papers *re* E. I. Co.'s negotiations with de Tastet.

Don Fermin cannot consent by any means to the proposed limitation or enumeration of the articles that are to compose the Spanish outwardbound cargo; for, as every potentate in Europe has and exercises the right to a trade in the East Indies, it would appear extremely singular that, whilst every other nation in Europe, in rivalry with Great Britain, are pouring into India numbers of cargoes of such commodities as they like, with the proceeds of which they purchase goods fit for the English market to be smuggled here, the Philippine Company who open to the East India Company a new channel for the consumption in Spain of India manufactures at the same time that they are by a large export of money to India recruiting that exhausted country should in return for all these benefits be circumscribed in the export of a single cargo of goods of their own growth which at most cannot amount but to an inconsiderable sum, and this, under the false notion, that it may hurt the trade of individuals.⁸⁷

Don Fermin de Tastet's sound common sense made no impression on the Court of Directors. They supported their committee, and consented only to minor modifications in the proposed draft. Rather than abandon the project altogether, Don Fermin thought it wiser to comply with the directors' stipulations. The Philippine Company had no intention, in any case, of sending out a large outward cargo. On one point only, the matter of the size of the ship, Don Fermin seems to have prevailed. The committee of correspondence wished to restrict it to 600 tons. Don Fermin informed the directors that the *Aquila Imperial*, the only ship the Philippine Company could send, had a displacement of 870 tons. He proposed to load her with 80 tons of iron kentledge, sundry wines, brandies, saffron, cochineal, and drugs, making a total export invoice of \$28,000, in addition to the silver. In all probability, the *Aquila Imperial* was no other than the *Aigle Impérial* of the late Imperial East India Company of Trieste. By the time all these details were completed, it was too late for the East India Company to arrange to supply the Spaniards with any India goods during the season of 1789/90. When initialed by Pitt, Dundas, and Grenville on December 2, 1788, the agree-

⁸⁷ Aud. Ref. 4, Don Fermin de Tastet to Court of Directors, July 31, 1788.

ment, which was to run for three years, was based on an understanding that no India goods were to be provided until 1790/91.⁸⁸

In its final form, the agreement retained many of the details which had been determined by the size of the *Aquila Imperial*. The outward cargo was never to exceed 870 tons. That cargo was to consist of silver, brandy, wines, oil, fruit, cochineal, drugs, and a quantity of iron not to exceed 80 tons. The proceeds of the outward cargo were to be wholly invested in India goods purchased at Calcutta and Madras by *bona fide* agents of the Philippine Company who were to be treated in every respect in India as British subjects were then treated in Spain. The 600,000 dollars were to be paid to the East India Company in installments, a small part in cash to be paid in India and a much larger part in bills which would entitle the English company's supercargoes at Canton to receive the balance of cash from the Philippine Company's factors in China. The quantities and varieties of India goods were so rigidly fixed that the Philippine Company had no latitude in choosing its goods and had to submit to vexatious terms for interest and charges on the goods prior to shipment. The agreement was therefore surprisingly narrow and illiberal in scope but, with the opening of Manila as a free port to Asiatic nations in 1789, it suggested wider vistas to men's minds, vistas which contemplated freedom of navigation between India and the Philippines. Though concluded in order to thwart the agency houses, it was an opening wedge toward a goal they all desired to reach. Charles Cockerell and his friends wanted to hasten the day when all Europeans under their own flags could trade freely at Manila. It is not astonishing that within four years Cockerell was advocating outright British annexation of the island of Luzon, a measure which he claimed would be of positive benefit not only to the

⁸⁸ Aud. Ref. 4, letter of approval of the Spanish agreement (original sent from the India Board).

East India Company and the British "country" trader but to the Philippine Company as well.⁸⁹

From many points of view, it is unfortunate that the agreement between the English East India Company and the Spanish Philippine Company never had a fair trial. The Nootka Sound dispute speedily supervened to strain the relations of England and Spain to the breaking point. The Philippine Company within two years began to experience the financial difficulties which beset other East India companies. Confidence in its credit waned. The war with Tipu Sultan made it difficult for the English company to provide the goods. Only one investment appears to have been provided before the Court of Directors denounced the agreement as null and void in March 1791.⁹⁰ Consequently, we have no means of knowing how an arrangement between two European East India companies would have worked out in actual practice under normal conditions.

As an international cartel which was really brought into being, this Anglo-Spanish agreement is of considerable interest. It ran directly counter to the principles of economic nationalism on which the English East India Company's monopoly was supposedly based. Like the projected agreement with the French company, it marked the English company's directors' willingness to make a legal and official breach in the machinery which was intended to centralize the marketing of India goods in London. As such, it is quite remarkable. The notion that the English East India Company should concentrate all the India goods possible in London for distribution to the world outside died hard. The whole history of the ensuing struggle for a freer India trade bears testimony to the tenacity with

⁸⁹ Melville MSS in my possession: papers of Sir Ralph Woodford, précis of the Spanish agreement of 1788. Cockerell's memorial of June 1793.

⁹⁰ Abs. of Disp. to Bengal 2, précis of commercial letters of Mar. 25, 1791, annulling the agreement, and May 30, 1792, referring to commercial letter from Bengal of Mar. 12, 1791, concerning the investment. See Madras Gen. Journal 1790/91, entry against "Export Warehousekeeper," Apr. 30, 1791 "For sundry goods shipped per *Warren Hastings*, being the investment provided for the Royal Philipina," 70,261.2.72 current pagodas.

which the Court of Directors ordinarily maintained that European merchants must be obliged to come to London to purchase India goods at the Company's sales.

The agreement between the English and Spanish East India companies was as truly the child of economic forces stretching across national lines as was any private venture to India under a European flag. In a cartel formed by two national companies, we see these forces of international capitalism invade the official or legal sphere and take upon themselves a mantle of respectability which, in the eighteenth century, they are ordinarily unable to wear. In all private ventures to India, and within the framework of many company ventures, these forces operate without the law. Behind them is the desire of the merchant to seek profit for himself wherever he can find it irrespective of the laws of his own or any other nation. Out of such desires spring forces which are not so much international as supernational. International capitalism cannot operate for the benefit of an international state which does not exist. According to the circumstances of the time, it must operate to bring greater profits to some merchants rather than to others. In the phase of its activity with which we are here concerned, it usually operated to the advantage of the British entrepreneur. In one form or another these capitalistic forces, which disregarded the laws by which the great maritime powers attempted to regulate the India trade, built, manned, and freighted the ships which brought India goods to Copenhagen, Ostend, and Lisbon. No venture better shows them in operation than one to which we have not yet referred, and which affords an example par excellence of the clandestine trade to India.

In the month of June 1788, while Don Fermin de Tastet was going about London seeking interviews with influential persons at the India House, a three-masted bark of 378½ tons burden was lying in the lower Thames loading a cargo designed to add to the joys of British social life in Calcutta. On her stern one could read the words *Antonetta, London*,

and she carried three guns. Under the eye of Captain George Hoare, Benjamin Studley, first mate, Thomas Christian, second mate, James Milburn, carpenter, James Macaree, cook, William Jones, boatswain, and James Porter, cabin boy, were helping to stow cargo which had just come on board. There were four pianos to be handled with the utmost care and placed where they would not get wet. There were also a clock, to be presented to Mr. Charles Grant, and sundry boxes of ladies' finery ordered by the agency house of Colvin & Bayne. None of these could go in the hold with canvas, beer, claret, gunpowder, and two carriages complete with harness and bridles ordered by Mr. Stephen Bayard. To be stowed in the hold were several cases of books designed to provide Calcutta society with every form of literature from Sheridan's speeches against Hastings and Joseph Priestley's *Lectures on History and General Polity* to the latest novels, including *Emmeline the Orphan of the Castle* by Charlotte Smith, *The White Bull*, "an oriental history from an ancient Syrian MS communicated by Mr. Voltaire," and *Death's a Friend*, "a novel by the author of *The Bastard*." Two copies of the ten-volume edition of the *Encyclopaedia Britannica* of 1778 and two medical works intended to be of assistance in combating fevers added solidity to the assortment.⁹¹

After stowing his cargo, Captain Hoare sailed for Flushing on June 27, 1788. In Flushing, the *Antonetta* was sold to Robert Charnock, an English merchant residing there. We have no way of discovering whether the name of Job Charnock, the founder of Calcutta, rightfully belongs on a branch of Robert Charnock's family tree. It certainly deserved to be found there. They were kindred spirits separated by a century of time. On the day after the *Antonetta's* arrival, George Hoare, born in Bristol, England, became a burgher

⁹¹ The story of the *Antonetta* is fully told in the memorials concerning her in A. R., Van Hogendorp MSS (1913), 144, and in A. R. O. B., Bengale 1789, I. where her inventory is recorded. There is also a brief account of her in A. R. Falck MSS (1913), C 26, Jacob Eilbracht to O. W. Falck, dated Pulicat, Mar. 22, 1793.

of Flushing. He received an imposing certificate informing him that he would forfeit his burghership if he failed regularly to pay the annual *borger-wagt-geld*. In addition, he received a "sea-brief," or pass, issued by the High College of Admiralty at Amsterdam, permitting him to trade at non-Dutch ports abroad. In this way, Charnock hoped to circumvent the provisions of the Dutch East India Company's charter. Charnock had secured the pass through the good offices of J. C. van der Hoop, *fiscal* at Amsterdam. Within three weeks of arrival at Flushing, the *Antonetta* was again at sea, outward bound for Bengal. The word "London" on her stern had been painted out; she now hailed from Flushing and flew Dutch colors.

On her voyage, the *Antonetta* called only at Madeira to load a hundred pipes of wine in mid-August 1788. Nothing was again heard of her until the following January when she ran aground in a storm off the coast of Burma. She was successfully refloated, and spoke the Dutch pilot-schooner off the Sand Heads on January 31, 1789. A week later she ran aground again on her way up the Hugli. On February 13, she reached Calcutta and began landing cargo at the custom-house. Within three or four days, she was ordered by the custom-master to stop landing cargo, and given permission to store what she had already landed, while the Bengal government investigated her voyage. On hearing of her appearance in the river from the Dutch pilot who had reported that "not a Hollander was to be seen on board," Isaac Titsingh had protested to Lord Cornwallis against her voyage as an unheard-of violation of the Dutch company's monopoly. Although the Advocate-General in Bengal felt that "the very novelty of the circumstance of a private Dutch ship clearing out from a port belonging to the United Provinces, and sailing direct to the East Indies" must alone excite suspicion, he could not see how the owners, if *bona fide* Dutch subjects, had broken any English law by sending a ship to Calcutta. Cornwallis thereupon decided to pursue a middle course. He refused to

seize the *Antonetta*, but ordered her to reship all her cargo and leave Calcutta without fail by March 5, 1789.

Cornwallis' order threw Captain Hoare into a great state of agitation for he knew the Dutch pilot sloops had Titsingh's orders to capture the *Antonetta* the moment she left British territory. He pleaded in vain for an extension of time in order to repair the damaged ship. His crew then deserted. To work the ship out of the dock, he had to hire thirty lascars and buy them four months' provisions. On the expiration of the last day of grace, Hoare made sail down the river only to hear that the Dutch pilot sloops were coming up to attack him. He immediately turned and tried to beat back, hoping to tie up under Danish protection at Serampore before the Dutch sloops could overtake him. As luck would have it, the lascar who was steering ran the *Antonetta* aground a short distance below Serampore in the early evening of March 6, 1789. After making several attempts to get her off by pulling on cables made fast to trees on the bank, Hoare ordered five flatboats manned by *peons* to come down from Serampore. At dawn next day, under supervision of Hoare and the European crew who had rejoined the ship, the lascars and *peons* began the work of transferring the cargo, including the pianos, to the five unwieldy flatboats. They were just finishing the job when the two Dutch pilot sloops hove in sight. In the ensuing confusion some of the flatboats went aground and only one escaped to Serampore with Hoare and forty-four packages. The others, along with the *Antonetta* herself, were captured by the Dutch pilot sloops. Hoare, safe in Serampore, sat down and wrote Lord Cornwallis for permission to go home on the Honourable Company's ship *Northumberland*. He later swore to an affidavit claiming that the *Antonetta's* capture was illegal because she was owned by a British subject, loaded with British goods, and lay aground on British territory when forcibly seized by the agents of a foreign power. In Chinsura, Isaac Titsingh and his council released the *Antonetta's* English crew, sent back the items in the cargo shipped as gifts to

prominent Calcutta residents, and confiscated the ship and balance of cargo as forfeited to the Dutch East India Company.

When the news of these events reached Flushing, Robert Charnock promptly employed eminent Dutch counsel to lay his wrongs before the States-General. Whether written by them or by him, the two memorials prepared on the case of the *Antonetta* are remarkable documents. Charnock sought in them to justify before the world his whole way of life. Born in Lancaster, presumably about 1748, he had first tried his luck on foreign soil at Dunkirk. Driven from France by the beginning of war in 1778, he moved to Flushing, became a burgher there, and had built up a substantial fleet of small vessels trading to northern European ports when the States-General ill-advisedly decided to take part in the war. Their action forced him to transfer his base to Ostend where competition in illicit trade was already keen. When the war ended, Charnock decided to go back to Flushing in order to join his former influential friends there who were ready to help him expand his business in a freer field. The venture of the *Antonetta* was an obvious attempt to draw some of the illicit India trade from Ostend to Flushing.⁹²

In his first memorial written in June 1790, Charnock confined himself largely to facts. There were no references to theory save brief passages on Justinian and Grotius. Speaking always as if he were imbued wholly with a desire to benefit his adopted country, Charnock urged the States-General to allow private Dutch ships to trade to all ports in the East Indies not immediately under the control of the Dutch company. He outlined the measures which the English company had recently taken to foster private trade on its own ships. He made much of the English company's failure to thwart

⁹² By 1800, Robert Charnock had become one of the chief "managing owners" of East India shipping. He then apparently lived in London and "managed" nine of the East India Company's ships. See C. N. Parkinson, *Trade in the Eastern Seas 1793-1813* (London, 1937), p. 188.

private adventures to India under foreign flags even when everyone knew most of these cargoes were British property. If Ostend welcomed this trade with open arms and drew Dutchmen thither to buy India goods, it was obviously absurd for Flushing to be denied a share in this activity. The Dutch company's trade on the continent of India had already declined to a point where it was of little consequence. No harm could possibly come to the United Provinces from licensing private individuals to trade with British Indian ports. The recent opening of the trade to India by the French National Assembly made it more than ever imperative that the States-General should act promptly to draw some of the private adventurers' trade to Dutch ports. The profits of such trade would make the Dutch middle class better able to bear the increased debt which the decline of the Dutch company already entailed. Charnock closed this memorial with an interesting passage which implied that the India trade must always be European rather than exclusively national.

One should understand that it would have pleased the English to restrict the free trade to India once again with the aim of absorbing our trade within theirs, but one should go further and understand that all nations could overreach themselves in pursuing the same goal; surely under such circumstances the private shipping and trade of the inhabitants of these regions would entirely cease.⁹³

A year and a half after the presentation of his first memorial, Charnock prepared a second in which he stood on much broader ground. In this document, Cicero, Pufendorf, and Grotius, to say nothing of Adam Smith and other more modern writers, were heavily drawn upon to support his argument. The Dutch East India Company which had been so unwise as to oppose Charnock as a reckless foreign adventurer was further pilloried. The Seventeen's contention that they still did a considerable trade with Bengal was hotly denied. Charnock frankly told them that their position on the Indian continent was irretrievably lost. Their own servants were already

⁹³ A. R., Van Hogendorp MSS (1913), 144, first memorial *re Antonetta*.

admitting foreign ships and traders into the spice islands. In spite of all the evidence to the contrary, they were still deluding themselves with the idea that the India trade would not go on if their company did not exist. They must return to reality. In a historical disquisition, Charnock pointed out that the Dutch company was born as a loose league among private adventurers. Out of private adventuring, it had originally sprung, and, to private adventuring, it must inevitably return. The Dutch people must heed Bacon's advice: *Retrahes res ad primam earum institutionem e circumspicias in quibus et quibus modis degeneraverint*. They must take a leaf out of the book of the English who now sought to expand their trade with the assistance of private adventurers of all nations. This should not be difficult, because the Dutch must surely know the widespread nature of many of their operations. The absurdity of the Dutch company's ideas could nowhere be better shown than in their appeal to laws which were never enforced. Everyone knew that Dutch capital was invested in all the European East India companies. The Dutch people had grown great and prosperous through fostering international trade, through welcoming foreign merchants both Jewish and Christian to their shores.

In the last pages of this memorial, Charnock dropped the pretense that he was an adopted son of the United Provinces. He boldly admitted that he was a foreigner, that he had followed fortune from Dunkirk to Flushing, and from Flushing to Ostend, and then back to Flushing again. He told the States-General that it should be of no consequence to them whether he came to Flushing from England, Scotland, or Dunkirk, and whether his ship was or was not the *Antonetta*, British-built and loaded in London. He said it mattered not at all that the *Antonetta's* sole connection with Flushing was the payment of a fee of one florin, seventeen stivers, and four *duits*. The point was that the *Antonetta's* voyage would have benefited the United Provinces. The Dutch East India Company in the words of a Dutch proverb was "muzzling the thirsty

ox." Charnock proposed to water it. In an illuminating aside, he remarked that "the English also use the muzzle, but one should be able to see that the Englishmen who, like Charnock, seek the best positions carry on their mercantile pursuits elsewhere than in England."

Throughout this memorial, Charnock took the position that he was "a merchant, that is to say, a man whose operations are not confined within any region but spread over the whole globe and who constantly behaves as if he regarded himself as a burgher of the whole world." As such, he was a true exponent of the spirit which inspired most of those who engaged in the so-called "clandestine" trade to India in the late eighteenth century.

CHAPTER V

THE "COUNTRY" TRADE OF INDIA

WHEN ISAAC TITSINGH, as representative of the Dutch East India Company, hired of William Bruère, secretary to the Bengal Council, the "country" ship *Britannia* for a voyage to Batavia in the spring of 1786, he unwittingly gave convincing proof of the ever-growing power of the British "country" merchant in India.¹ Ten years earlier, a Dutch chief in Bengal, confronted with the same necessity of finding a ship to carry 800 chests of opium to Java, might not have had to deal with a British government secretary who owned a "country" ship as a private investment. He could probably have found a Dutch "country" captain who would have been glad to accommodate him, and he would not have had to hand over to a foreigner a bill of exchange on the Dutch company for 54,000 florins in payment of freight. The *Britannia* of 500 tons burden, Bombay built, copper-bottomed, manned by eighty lascars, and armed with twelve six-pounders, was one of the best of her kind. Others like her were being built every year not only in Bombay but in Bengal as well.

Without accurate statistics regarding the activities of "country" traders in the middle of the eighteenth century, we have no way of knowing precisely how the British "country" captains and merchants steadily outdistanced their rivals and thus helped to force the French, Dutch, and Danish East India companies to do business in India in close association with them. Whatever be the precise nature of this process, it is perfectly clear that British supremacy in the "country" trade of India was virtually assured after the American War. In the 1760's and 1770's, the British "country" trader had

¹ A. R. O. B., Bengale 1787, III, Council Proceedings Feb. 17, 1786.

rivals who could pursue an independent existence. In the mid-1780's, he had no rivals who could operate independently of him.

In the opening decades of the eighteenth century, the "country" trade of India which had for two centuries been an object of European ambition continued to expand as a result of the activities of the European "country" captain. This obscure and unsung soldier of fortune charted new trade routes in the Eastern Seas and redeveloped old ones. With a crew of obedient lascars at his back, he dared undertake voyages which few Mohammedan commanders would attempt.² Whenever several such voyages were successful, he was able to buy a ship of his own and become independent of the Indian or European merchant-princes who employed him. His widespread operations had their share in bringing about a commercial revolution in the Indian Ocean in the mid-eighteenth century.³ The American War marks the final phase of this revolution and the certain triumph of the British in their efforts to control the "country" trade of India.

In order to understand the profound changes brought about by this revolution in the economic life of the lands bordering on the Indian and China Seas from Basra and Mocha in the west to Malacca and Canton in the east, we must consider the "country" trade of India as it existed in the 1740's. At that period, before these great changes had taken place, the east coast of India traded chiefly with the west coast, and not with the lands across the Bay of Bengal. Surat and, after her, Bombay were the great commercial marts of India. They and the other west coast ports not only drove a lucrative trade with the Persian and Arabian gulfs which poured large

²H. M. 57, "Observations" on Danish Trade, 1791. European "country" captains in India had the advantage of the great improvements in the art of navigation made in Europe in the eighteenth century. Cf. Fac. Rec., Surat 69, Con. Apr. 8, 1791, letter of John Church, nawab's custom-master: "Native commanders dreading the dangers of the bay, scarce ever go to Bengal."

³Eur. MSS D 281, 282, 283, and 284 contain much information on this subject, collected by an anonymous compiler.

amounts of specie into India, but they also drew raw silk, piece goods, and sugar direct from ports on the Bay of Bengal.⁴ Of the three great divisions of India's "country" trade, coastal, western, and eastern, the coastal and western divisions were by far the most important. The eastern division, the trade with China and the Malay archipelago, lagged behind. Not only did Bengal have almost no contacts with ports in the China Seas, but the trade between the Malabar coast and China, which was still chiefly in Portuguese hands, was comparatively slight. By far the strongest link between India and ports to the "eastward" was the trade between the Coromandel coast and Malaya, most of which was controlled by the Dutch.

A commercial revolution began when the conquests and rivalries of European powers fostered a rapid expansion of trade between India and China. The consequent increase in the eastern division of Indian "country" trade, though not made entirely at the expense of the other two divisions, transformed the commercial life of Bengal and Madras and markedly influenced that of Bombay and Surat. Expansion of trade to the "eastward" under European supervision quickly set in motion at least four processes of change within the whole fabric of the Indian "country" trade which went on simultaneously at varying speeds during these decades. In the first place, the flow of Chinese silk and sugar-candy and Dutch cane sugar from Java into the Bombay and Surat market made the shipment of Bengal sugar, raw silk, and piece goods to that market less and less profitable.⁵ This constriction of the trade between Bengal and western India was the nub and core of the commercial revolution. In the second place, a direct "country" trade between Bengal and China and an indirect "country" trade between Bombay and China rapidly developed, the former based at first on bullion and subsequently on opium, and the latter based

⁴ Fac. Rec., Surat 68, Con. Aug. 31, 1790.

⁵ Eur. MSS D 281; also Fac. Rec., Surat 68.

on raw cotton.⁶ Both these trades grew out of the desires of the European East India companies to supply their needs at Canton without exporting silver from Europe. Through both, the British found a way to attack the Dutch who had been the first to promote shipments of sugar and silk from Batavia to India. Thirdly, the changes resulting from the expansion of trade with China gave the British greater opportunities in the "country" trade of western India. Finally, the British were able to divert to Madras much of what was left of the old "country" trade between the Coromandel coast and the Malay archipelago.

The figures on the customs records of both the nawab's and the English company's customhouses at Surat afford the best evidence of the severity of the first phase of the commercial revolution. They show a decline in imports of Bengal raw silk and piece goods which was later directly attributed by the Company's chief at Surat to the increased exports of silk and piece goods from Calcutta to Europe after the European conquest of Bengal. By carrying his investigation of the subject back to the season of 1730/31, the chief was able to show how a once enormously lucrative trade had dwindled to almost nothing. During the 1730's the invoice values of Bengal raw silk and piece goods imported annually through the Company's Surat customhouse occasionally reached ten lakhs of rupees; in the mid 1740's, this figure stood at about four lakhs of rupees. There was a sharp drop to one lakh in the 1750's, and then an increase to three lakhs in the late 1760's. With the season of 1770/71, the new era began. The value of imported Bengal silk and piece goods never afterwards rose above 65,000 rupees. The figures from the nawab's customhouse told a similar tale of steady decline. The decrease in the imports of Bengal sugar is equally striking. For

⁶ Phenomenal increases in Bombay cotton trade are shown by tables in Earl H. Pritchard, *The Crucial Years of Early Anglo-Chinese Relations 1750-1800* (Research Studies of the State College of Washington IV, Pullman, Washington, 1936), pp. 393, 402.

this, there are no figures available, but Dutch and Chinese competition, once begun, was quickly effective. Bengal sugar was rarely seen in western India after 1776. The chief at Surat likewise noticed the effect of these changes on the sources of Bengal's supply of raw cotton, some of which had always come from Bombay and Surat. Since Bengal could not herself grow enough cotton for her weavers' looms, the decay of the trade with Surat stimulated the movement of cotton within India by land-transport. Bengal had to look to the adjacent lands and to the Deccan for her supplies.⁷

The commercial revolution therefore had its most immediate and disturbing effects in Bengal where its second phase was the almost simultaneous concomitant of its first. "Country" captains, deprived of the opportunity to load cargoes for Surat, devoted their energies to expanding a direct trade with China. This trade had taken its rise from the perfectly natural assumption on the part of the English East India Company's directors that, if they had the inexhaustible wealth of India at their disposal, it would obviously be foolish to export silver from Europe to China for the purchase of tea. In the era of the shaking of the pagoda tree, high hopes were entertained that Bengal and Madras could supply large quantities of specie for China. These hopes were doomed to speedy disappointment. As early as the season of 1769/70, scarcity of specie in Bengal caused no supplies to be sent to China, and shortly thereafter the Company began bargaining with "country" captains in an effort to supply the supercargoes at Canton with funds. During the 1770's the Company continued to make direct shipments of specie to China whenever possible, but the method of transfer through "country" trade opened up such vistas of private profit to "country" traders and Company servants alike that, once begun on a large scale, it could never be abandoned.⁸

⁷ Eur. MSS D 281; also Fac. Rec., Surat 68, Con. Aug. 2, 1790, memorial on imports from Bengal; Aug. 31, 1790, Chief's "Minute."

⁸ H. M. 795, excerpts from Bengal consultations and other documents concerning remittances to China.

Ostensibly, "country" traders were first asked to supply funds at Canton because the heavy financial burden of the Company's increasing political and military activities made shipments of silver on Company ships impossible. If, when confronted with this scarcity of silver, the Company had had available in Bengal a commodity directly marketable in large quantities at Canton, a conscientious governor-general with the best interest of his employers in Leadenhall Street at heart might have resisted the pressure put upon him by "country" traders. No such commodity existed in Bengal. Opium, which was not directly marketable in Canton, provided the only way out. There was thus afforded for the European trader in Bengal an unexampled opportunity for profit. The fact that opium was a so-called monopoly of the Company made no difference except to enable a favored few of the Company's servants to arrange opium contracts to their own best advantage. The opium was not all illicitly marketed in China through collusion with the Portuguese at Macao and corrupt Chinese officials willing to break the laws of their country. Much of it was exchanged at Malay ports for dollars and other commodities finding a ready sale in Canton or Macao.⁹

Bengal "country" traders also had a share in the shipment of Bombay raw cotton to China, but most of that business remained in the hands of firms having their headquarters in Bombay or Madras. Unlike opium, raw cotton could be directly marketed in Canton. The Company therefore took part in the China cotton trade itself, but it could not avoid becoming very closely linked with the "country" trader in doing so. Although the Company's servants could not force the directors to abandon the practice of shipping cotton on Company account, they saw to it that the Company never gave the "country" trader serious competition. Much of this trade which steadily forged ahead in the 1770's was in fact

⁹ For a detailed discussion of the opium trade to Canton in this period, see David E. Owen, *British Opium Policy in China and India* (New Haven, 1934), pp. 18-80; *re* Warren Hastings' ill-starred attempt to ship opium directly to Canton on the Company's behalf during the American War, see p. 54.

indirect in so far as it was promoted by "country" traders in collusion with Company servants and captains of Indiamen who overloaded the Company's China ships with cotton when they called at Madras outward bound. In this case, as in so many others, the Company's servants at Bombay, Madras, and Canton had no motive whatever for promoting the Company's best interests. Company servants financed many Madras "country" ventures, and the commission system then in vogue made it advantageous for the Company's supercargoes at Canton to receive money or goods from "country" captains.¹⁰

In its third phase, the commercial revolution in the Indian Ocean greatly facilitated increased British activity in the "country" trade with Persian and Arabian ports and in the port-to-port trade along the Indian coast from Surat to Madras, but it left the character of "country" trading in the Arabian Sea essentially unchanged. The trade to the "gulfs" did not lose either its glamour or the bulk of its profits simply because of the vast expansion of "country" trade to the "eastward." When one of its branches declined, another was developed which absorbed at least some of the loss.

The chief characteristic of the "gulf" trade was its close connection with Indian capital, especially Parsi capital and the continued employment of Mohammedan as well as European sea captains. The shipping lists compiled by the Dutch company's chief at Surat in the late 1770's reveal the flourishing state of this trade even at that time. In the season of 1779/80, one of the ships belonging to the "Chelliaby's," merchant-princes of Surat, arrived from Mocha with three lakhs of rupees in gold, four lakhs in silver, one lakh in pearls, ten bales of almonds, and 200 *maunds* of ivory. Another ship owned by the same family unloaded five lakhs of gold and silver rupees in Bombay. Still other "country" ships were

¹⁰ Madr. Pub. Con. during the year 1787, *passim*. H. M. 795, data on remittances to China.

needed to market the output of the Bahrein pearl fisheries which averaged five lakhs a year.¹¹

The shipping lists compiled by the Dutch chiefs at Surat and Cochin suggest that this central core of the old trade to the "gulfs" remained relatively unchanged during the mid-eighteenth century. The decline took place in the trade which Europeans exclusively carried on with the ports of Basra and Gombroon (Bandar Abbas). In this sphere the British, who had previously undercut the Dutch, found their own portion of the trade dwindling from causes over which they could exercise little control. After a great plague had ravaged Basra and the surrounding region in 1773/74, the European East India companies quickly lost their market for woolens and almost lost it for metals. With the decline in their invoices, the cargoes for "country" traders also declined, for Persia could no longer absorb its usual amount of Surat piece goods. Not only that, but such demand as there was drew supplies from two sources instead of one. Curiously enough, Indian goods brought into Marseilles and Leghorn by the illicit traders were penetrating deep into the Ottoman Empire where they competed with Indian goods coming direct from Surat or Bombay.¹²

The decline in this portion of the trade to Persian ports was at least partially made up by an increase in trade to ports in Arabia and East Africa. The preoccupation of the leading Bombay agency houses and "country" captains with the expanding trade to China gave a freer field in the Arabian voyages to Armenians, Mohammedans, and Parsis. The flow of German crowns, "Venetians" and other Levantine gold and silver into Cochin aboard Arab "dhows" and Indian "bom-

¹¹ A. R. O. B., Souratte 1781, shipping list for 1779/80; Marine Misc. 891, report on the trade to the Persian and Arabian gulfs, dated Aug. 15, 1790.

¹² More competition from Europe was shortly to be expected. See Fac. Rec., Persia 18, Basra Con., Mar. 12, 1789, letter to Court: "By the *Intrepid*, we received from the Presidency [Bombay] patterns of Norwich and Manchester manufactures." On March 25, 1789, the Basra factors reported these patterns "will not suit this market but may suit that of Persia."

baras" does not seem to have slackened in the 1770's, but the annual number of calls at Cochin by "bombaras" commanded by Mohammedans grew less because of increased European competition in the exclusively coastal trade of southern India.¹³ European, especially British, "country" captains who captured some of this coastal trade extended their activities beyond Cape Cormorin to ports on the Coromandel coast. French "country" captains stimulated a greater demand for Yemen coffee and further developed the contacts between Mauritius and ports within the dominions of the Omani sultans in Arabia and East Africa.¹⁴ Far to the south, agents of the Imperial East India Company of Trieste encouraged a traffic in ivory and slaves between Delagoa Bay and southwestern India.¹⁵

The position which the British had acquired in "country" trading prior to the American War may be gauged from lists prepared by the Dutch company's servants at Surat and Cochin in 1775. During that calendar year, twenty "English" "country" ships called at either Bombay or Surat. Of these, seven were not European-owned and several may not have been commanded by Europeans.¹⁶ There was, for example, a "country grab" owned by the "Moorish" merchant Mohammed Seffi which brought from Bengal 700,000 lbs. of rice, 105,000 lbs. of arrack, 35,000 lbs. of pepper, 35,000 lbs. of Japan-

¹³ Prior to the American War, the number of "dhows" and "bombaras" calling at Cochin annually averaged 200 or more. See shipping lists for that period in the A. R. O. B., Malabar. Cf. A. N., Marine, B⁴ 276, Rosily's account of his expedition to the Red Sea: "Il est incroyable le profit que les Hollandais tirent à Cochin du moyen que je propose; j'y ai vu plus de deux milles cheliques, et autres bâtiments, persans, et arabes." Unless Rosily meant to include the tiniest of Indian craft, this is certainly an exaggeration. He was anxious to persuade the ministers at Paris to take steps to attract Indian shipping to Mahé.

¹⁴ A. N., Marine, B⁴ 276, papers *re* Rosily's expedition to the Red Sea. See also Fac. Rec., Persia 18, Edward Galley to Samuel Manesty, dated Bushire, Sept. 4, 1785, *re* the Imam's refusal to allow the French to establish a factory at Muscat.

¹⁵ A. R. O. B., Souratte 1781, I, shipping list for 1779/80. A "grab" under Imperial colors brought 1,000 *maunds* of ivory from Delagoa Bay to Bombay in the autumn of 1779.

¹⁶ *Ibid.*, 1776, I, shipping list for Bombay and Surat, dated Dec. 25, 1775.

wood, 18 canisters of sugar-candy, and 142,000 lbs. of coconuts. Two ships owned by the Parsi family of "Reddymony" arrived from China carrying together 25,000 lbs. of raw silk, 1,250,000 lbs. of sugar, and 375,000 lbs. of sugar-candy. All in all, four ships came from China, five from Bengal, three from Malabar ports, three from Batavia, one from Madras, and four from the Persian and Arabian gulfs. The invoices imply a distinct increase in quality and variety of China cargoes. They likewise show that Japan copper was being ruthlessly attacked by copper brought out from Europe. Not only was Swedish and other European copper being unloaded at Bombay direct from Europe, but "country" ships were bringing hundreds of thousands of pounds of it around from Calcutta where it had been originally landed by the English company's Bengal ships. This circumstance obliged the Dutch chief at Surat to send an alarming secret dispatch to the governor-general at Batavia on December 25, 1775.¹⁷

During the trading season of 1774/75, eighteen of the twenty-six "country" ships, commanded by Europeans, which called at Cochin, were English; five, Portuguese; two, French; and one, Danish. Seven of the English were trading between Bengal and Bombay; two, between Madras and Bombay; three, between small ports on the Indian coast; four, between India and the Persian and Arabian gulfs; and two, between Canton and Surat or Bombay. The Portuguese, all engaged on voyages between Macao and Goa, Tellicherry, Calicut, or Mahé, were busy bringing in China silk to compete with Bengal silk. The French and the Dane were making local coasting voyages.¹⁸

On the outbreak of war between European powers in 1778/79, the number of British "country" voyages, whether under the British or the Portuguese flag, immediately rose, but the war did not have a profound effect on British "country" trading

¹⁷ *Ibid.*, 1776, I, M. J. Bosman to Gov.-Gen. Petrus Albertus van der Parra, Dec. 25, 1775.

in India until the season of 1780/81.¹⁹ Increased military activity in southern India then provided great opportunities for unscrupulous "country" captains. There was a vast amount of scurrying about from one port to another by ships hoisting Portuguese and Danish colors which might have been commanded by European adventurers of almost any nationality. Although it would be impossible to prove that trading with the enemy took place on a large scale, there is hardly a doubt that many an English captain did not hesitate to join the Portuguese and the Danes in supplying Hyder and Tipu with arms.²⁰ Tranquebar was the center of an illicit arms traffic throughout the war. Much of the money which came into "country" captains' hands in this period was money originally paid into the French and English treasuries at Pondichéry and Madras in return for bills on Europe. These "country" captains were thus a link in the chain of debt built up by the English East India Company during the war. Their own profits were probably in large part remitted to Europe by Danes and "Ostenders." According to the lists made up for the Dutch governor at Cochin, twenty-seven Portuguese, four Danish, and one English vessel called there during the season of 1782/83. As the number of Portuguese vessels calling at this port never rose above fifteen in peace time, there is little doubt that English "country" captains were shielded by the Portuguese flag with the entire connivance of everyone concerned,

¹⁹ In the season of 1779/80, the number of English "country" ships calling at Cochin had risen to 29. Since there were in the same season 15 Portuguese calls, it is highly probable that the Portuguese flag was already being used to protect English "country" ships from attack. See shipping list for 1779/80 in A. R. O. B., Malabar 1781. In the same season, the number of English "country" ships calling at Bombay rose to 26. See shipping list for 1779/80 in A. R. O. B., Souratte 1781, I.

²⁰ A. N., Marine, B⁴ 272, Kersauzon to D'Entrecasteaux, dated Pondichéry, June 1, 1786. Kersauzon states that fourteen or fifteen "Europe" ships arrived annually at Tranquebar during the war loaded with supplies for all belligerents. These supplies were distributed by "country" vessels of all types flying neutral colors. See also *Five Letters to Warren Hastings*, attributed to Joseph Price. In the fifth letter, the Bombay civil and military servants are accused of secretly trading with the enemy.

including the Honourable Company's servants on both coasts.²¹

Widespread illicit British "country" trading during the war thus prepared the way for the final phase of the commercial revolution, which transferred most of the "country" trade of the Coromandel coast from Dutch and Danish to British hands. Had Negapatam remained Dutch after 1780, it would be more possible for us to trace the activities of "country" captains who visited this southeast coast of India. In 1779, the last year of peace, there were twelve calls at Negapatam by "country" vessels of considerable size. Five of these ships were trading between Malay ports and Indian ports. Only one, a three-master, was English owned. The others, one of which was commanded by a Dutch captain, were owned by Asians. They were all bringing in such Malay products as pepper, arrack, sugar, and timber, and carrying away piece goods and salt. In one case, and probably in others, this salt was to be exchanged at Calcutta or some other port north of Negapatam for more piece goods before the vessel sailed back to a Malay port. Of the seven ships engaged in coastal voyages from Negapatam, two were English, two Portuguese, two Dutch, and one Danish. One of the Dutch vessels, owned by the Jewish merchant Elias Rhabbij of Cochin, was engaged in supplying Arabian wares to the Coromandel coast; the other, owned by the Dutch company's warehouse-keeper at Negapatam, brought a cargo of timber from Burma.²²

Without the shipping lists so carefully prepared for the information of the Seventeen at Amsterdam, we cannot know how the trade of Negapatam fared after the outbreak of hostilities. In retaining Negapatam, the British most certainly wished to control this type of "country" trade and to transfer a great deal of it to Madras. In so doing, they aimed at control of one of the chief commercial outlets of the principality of Tanjore. They also sought to subordinate the Malay trade of Negapatam to the exigencies of their own rapidly expanding

²¹ A. R. O. B., Malabar 1785, I, shipping list for 1782/83.

²² A. R. O. B., Coromandel 1780, II, shipping list 1779.

trade to Malaya and China. It is highly improbable that many more voyages such as that of a two-masted brigantine owned by a Chinese merchant who conducted his business from a Malay port and employed a Dutch captain actually took place after 1781. Nevertheless, a small direct trade between the Coromandel coast and Malay ports undoubtedly continued outside British control.²³

British predominance in the "country" trade of Tranquebar in the closing years of the war and just afterwards was even more striking. The records of the Danish government's custom-master at Tranquebar reveal a shift of "country" trade away from the port, almost certainly to Madras, and indicate that the direct trade to Malaya suffered due to the increasing interest of English "country" captains in carrying Bengal opium and Bombay cotton to China. Tranquebar in the 1780's was consequently far more important as a center for illicit trade to Europe than as a mart of "country" trade. It is significant that Messrs. Harrop & Stevenson fell on evil days with the coming of peace. Their correspondence with the Danish company's factors shows that they were not in as flourishing a condition as Kersauzon thought, when he visited them early in 1786. Although they owned more than one "country" ship and were able to keep their agency house open, their liabilities appear to have exceeded their assets throughout the 1780's.²⁴

²³ A. R. O. B., Coromandel 1789, I. Invoice of a general cargo from Batavia of gold, silver, and goods Aug. 1787. Also invoices from various Dutch E. I. ports, especially gold and arrack by the *chialoup De Herstetting*, 1787. See also H. M. 387, anon. doc. on trade with Europe, mentioning an Indian Coromandel-Malay trade bringing gold to south India in 1792.

²⁴ D. R., As. Co. B 4: 1792, Gowan Harrop to Dan. E. I. Co., Oct. 16, 1786: "The times are so bad I find it very difficult to recover." He attributed all his troubles to the consequences of his imprisonment by Hyder Ali. Kersauzon's report is in A. N. Marine, B⁴ 272, Kersauzon to D'Entrecasteaux, June 1, 1786. Lord Cornwallis' war with Tipu came to Harrop and Stevenson as a godsend. By reëngaging in the munitions traffic and by opening indigo plantations of their own, they were able to satisfy their creditors in the early 1790's. The famous captain Mackintosh who had made a fortune as the English company's purchasing agent at Tranquebar during the American War probably experienced similar difficulties after 1784. His trading activities as a "country" cap-

The figures for customs duties paid at Tranquebar are no reliable index of the exact value of "country" trade, but they certainly suggest a sharp decline, once peace had been firmly established. The number of direct voyages to the Malay coasts dwindled from seven or eight to one or two annually after the cessation of hostilities. In the last season of war, Portuguese, Dutch, French, and American entries appeared on the books. Within three years these virtually vanished, giving way to English interspersed with a much smaller number of genuine Danish entries. In so far as the European-controlled trade is concerned, these figures reflect the steady growth of English power. Not only did the British turn a large amount of "country" trade away from Tranquebar to British ports, but they increased their hold on the remnant which remained at this Danish port.²⁵

In the first trading season after the firm establishment of peace, 15,000 tons of "English" "country" shipping called at Cochin. This combined fleet of forty-five vessels employed 2,000 lascars and mounted 500 guns. Small "grabs" and "snows" outnumbered the larger ships in a ratio of two to one. By far the largest number of voyages were those between Bengal and Bombay. Fifteen ships were presumably engaged in a triangular trade for the purpose of carrying Bombay cotton to China. These ships apparently started from Bengal, loaded their cotton at Bombay, transshipped it at Madras or some other port between Bombay and Canton, and then returned to Bengal. Four ships were plying between Bombay and China direct. Apart from five voyages between western Indian ports and Malay ports, all the rest of these ships were

tain seem to have been much curtailed and to have been mainly confined to the teak trade with Burma. See entries on Tranquebar sea-customer's books concerning Harrop and Stevenson, and Captain Mackintosh in D. R., As. Co. B 2: 1718-1721.

²⁵ D. R., As. Co. B 3: 1712-1721. Since the method of keeping these books was markedly changed in the mid-1780's, it is extremely difficult to estimate the amount of purely Indian "country" trade. Apparently a larger proportion of the total "country" trade of Tranquebar was in European hands in 1792-93 than was the case in 1783-84.

sailing either from port to port along the Indian coast or from India to Ceylon. Eight ships, some of which flew English colors, were commanded by Mohammedans. They had an insignificant part in the English trade as a whole, for only two of them, those carrying Surat goods to Achin and Batavia, were of any importance.²⁶

In this season of 1785/86, the Dutch custom-master of Cochin saw the English flag at least twice as often as that of any other European nation. His own compatriots had succeeded in acquiring only two "snows" in an attempt to revive Dutch "country" trade. The French ships from Mauritius and Pondichéry numbered six, but two of these were "Europe" ships, and one was a frigate. The Portuguese alone had not lost ground since the war. Their ships made thirteen calls at Cochin in this year. There appeared no obvious diminution in their trade with Macao which still supplied western India with China goods.

If the Dutch custom-masters at Cochin and the Danish at Tranquebar who recorded the growth of British "country" trade in the 1780's had had an opportunity to visit Calcutta, they would have been even more impressed by the increase in British tonnage. The metropolis of Bengal was the headquarters and nerve center for the ever-expanding trade to Malaya and China which had such widespread ramifications and such profound effects on the commercial life of their own ports.

When peace returned in 1784, all was ready for a further expansion of the direct trade between Bengal and China. Pitt's Commutation Act to lower the duties on tea gave freer rein to forces already unleashed during the previous decade. English "country" tonnage, which stood at 4,000 in 1780, had reached 25,000 by 1790,²⁷ and every contemporary observer testified to the phenomenal increase in the number of English "country" ships in the China Seas in the mid-1780's. In March

²⁶ A. R. O. B., Malabar 1788, III, shipping list for 1785/86.

²⁷ H. M. 399, papers on imports from China.

1789, J. W. Drummond reported to Dundas from Canton that the English were smuggling at least 2,000 chests of opium into China annually and that their sales of cotton in Canton averaged 50,000 bales.²⁸ In addition to this, they were bringing in an indeterminate amount of tin, pepper, gold dust, and dollars which they had bought with opium and piece goods at Batavia or other Malay ports. In order to understand how this process worked we must remember that the English company's Canton supercargoes at this period paid the Chinese for their tea half in hard dollars and half in the Company's bills of exchange on London. With these bills of exchange the Chinese bought opium, tin, pepper, saltpeter, gold dust, or dollars from the Bengal "country" captains. The latter in their turn marketed the bills of exchange wherever they could.²⁹ When this type of trade was young, the only market for these bills was in Calcutta, but, as the trade increased and fostered the development of European enterprise in Malaya, the Company's China bills of exchange found purchasers among Europeans domiciled anywhere between Burma and Canton. It is therefore a mistake to suppose that English "country" vessels returned to India empty, loaded only with ballast and bills of exchange. These ships brought back to India tea, China silk, sugar-candy, soft sugar, mercury, camphor, tutenague, and teak.³⁰ Nevertheless, all observers agreed that the value of exports from Calcutta to Malaya and China exceeded the value of imports moving in the opposite direction.

A rapidly expanding "country" trade of this type between India and China could not help but increase British commercial power in Malaya. Side by side with the development of the opium and cotton trade with China went the steady penetration of markets formerly exclusively controlled by the Dutch. In the mid-1780's, the Dutch East India Company lacked the

²⁸ N. L. S., Melville MSS 1069, J. W. Drummond to H. Dundas, Mar. 27, 1789.

²⁹ H. M. 399, papers on imports from China.

³⁰ Eur. MSS D 281, Lambert's report on "country" trade of Bengal, 1793.

power to resist indirect attacks on its very citadel. English "country" captains in the main confined themselves to branches of trade which were not of supreme importance to the Dutch company, but many of them did not scruple to attack the heart of the spice trade, the famous "four," nutmeg, cloves, cinnamon, and mace.³¹ Foreign observers, particularly the French, were quick to note the consequences of this. French designs on Cochin-China and French schemes for agreement with the Spanish Philippine Company sprang from a desire to check the British expansion in this part of the world.

Since the balance of a Bengal "country" voyage to China might occasionally be taken entirely in the English company's bills of exchange on London, an easy way was opened for the formation of a fleet of English "country" vessels which operated in the China Seas. In 1788 one Bengal "country" captain sold his cargo of opium, piece goods, and saltpeter at Malay and Chinese ports, and then sold the vessel herself to a Mr. Pearse at Benkulen in Sumatra. Mr. Pearse, who was probably a servant of the English East India Company, undoubtedly used this India-built vessel in his own trading "concerns" throughout the archipelago.³² If this happened in one case after 1783, it could certainly have happened in others. Before long, a number of British "country" vessels, not owned in India, were sailing the Eastern Seas.

For this new fleet of "country" ships, as well as for the older ships, new bases not under Dutch control were needed. Benkulen, the English East India Company's only outpost in the Malay archipelago, was not in the proper geographical position to be of most benefit to this trade. Hence, the founding of the British settlement at Penang, then known as Prince of Wales Island, was the natural consequence of the growth of Bengal "country" trade to China. That enterprising pioneer, Francis Light, who bought Penang of the Sultan of Kedah on behalf of the East India Company in July 1786, was but

³¹ A. R. O. B., Bengale 1792, I, general letter to Batavia, Mar. 13, 1790.

³² H. M. 795, Sample of an estimate for a country voyage to China, 1788.

carrying out a project for which the way had already been prepared. Merchants in Calcutta had earlier urged upon Pitt and Dundas the desirability of an official British outpost near the Malay peninsula to thwart the commercial ambitions of "Ostenders," French, Dutch, Danes, and Americans.³³

In the autumn of 1785, a naval officer named Scott outlined extensive plans for attacking Dutch trade in Malaya in a letter to the governor-general in Bengal. He wanted to annex the islands of Billiton or Salong, or the Portuguese half of the island of Ceram, with a view to getting a share in the gold trade of Borneo. On the Malay peninsula itself, he wished to gain a foothold in the principality of Trengganu. Once established at two or three strategic points, the British could undercut the Dutch everywhere, and make large profits for themselves by the simple expedient of selling opium for lower prices and buying pepper for higher prices than those ordinarily offered by the Dutch.³⁴

There is no question that the prompt acquisition of Penang made a profound impression upon Britain's rivals. The French Captain Richéry, who called there shortly after its annexation, paid tribute to Francis Light as "un homme de sens, autant philosophe que bon spéculateur," and advised his government to make overtures to the sultans of both Johore and Trengganu, before it was too late. In Trengganu, a dozen or more English "country" ships were being received every year, but the sultan, as the sole wholesale merchant in his dominions, could transfer his patronage elsewhere if properly persuaded. Rumors were then rife in Penang and Malacca that the English proposed to make a settlement nearer Canton in Hainan or Tonkin.³⁵ A few months later, Kergariou-Loemaria, who visited the China

³³ H. Furber, *Henry Dundas*, p. 65, Francis Light had already been exploiting the possibilities of Penang and neighboring ports for some years past. See D. R., As. Co. B 4: 1798, Dan. E. I. Co.'s factors at Tranquebar to Francis Light *re* Light's monopoly of tin on the island of Tunk Ceylon, now called Puket.

³⁴ Dutch Records, A 10, papers on spice trade, c. 1787.

³⁵ A. N. Marine, B⁴ 276, Richéry's report, May 6, 1787; A. R. Falck MSS (1913), C 26, A. E. W. B. Houckgeest to O. W. Falck, Canton, Feb. 2, 1793. Houckgeest thought the English had an eye on the island of Lantao, northeast

Seas in the *Calypso*, had a similar tale to tell. He informed the ministers in Paris that Penang in English hands was already drawing Malay merchants from Malacca and Perak. He spoke of Macao as already half English, and of the Bengal China commerce as "immense." With regard to English attempts to take part in the spice trade, he said:

The English assure me that they have many illicit traders, and others in the Moluccas and in New Guinea. Mr. Thomas Forrest has been at the head of this enterprise for several years. He carries it on with the aid of the natives of New Guinea who flatter themselves that they can deprive the Dutch of a small part of their exclusive privilege for supplying Europe with spices.³⁶

Other factors which contributed to increase British prosperity at this time were the fur trade with the northwest coast of America and the war in Formosa which created an abnormal demand for Bengal saltpeter. According to Kergariou-Loemaria, the British "country" traders, having completely crushed the Danes, were ruining the Swedes, Italians, and Americans. French efforts to check the British were therefore intensified. Kersauzon, Kergariou-Loemaria, Kersaint, and Richéry all visited Manila in the years 1786-1788 with this end in view.³⁷ The shipping records at Batavia showed that British "country" tonnage calling at that port increased from 3,000 to 5,000 tons between 1784 and 1786, and that many of these English ships visited Bancarooloo or Borneo en route to China. No Frenchman or Portuguese could have had any illusions as to the

of Macao. He prophesied: "They will drive us out of China as they have out of Bengal."

³⁶ A. N., Marine. B⁴ 276. Kergariou to Castries, Nov. 23, 1787.

³⁷ *Ibid.*, reports of Kersauzon (c. 1787), of Richéry (May 1787), letter of Kergariou (Nov. 23, 1787); also B⁴ 278, letter of Kersaint, dated Macao, Dec. 20, 1788; also letter of D'Entrecasteaux, naval commander-in-chief in the East, to the minister of the navy dated Apr. 19, 1787, blaming the Dutch E. I. Co. for not having reconnoitred Penang and for not having realized the possible consequences of its possession by the English. According to the anonymous compiler of Eur. MSS D 281, British subjects were trading to Manila under "Moorish, Armenian and Portuguese" flags in 1785.

inability of the Dutch company to defend itself against insidious attacks on its monopoly.³⁸

British "country" traders' enthusiasm for the development of the new opportunities opened to them in the Far East quickly led them to overreach themselves. By 1790, Europeans in Canton were complaining that the English were glutting the Chinese market with Indian raw cotton of very inferior quality. The Chinese, exasperated by the outrageous prices demanded by the Bengal and Bombay traders, were threatening to increase their domestic output of cotton. Inasmuch as the imports of cotton from India to China had been originally stimulated by famines which had forced the Chinese to cultivate rice in place of cotton, this was a real danger. By attempting to dump a million bales of inferior Indian cotton in Canton in 1790, unscrupulous British "country" traders for a time imperiled the whole structure of a trade which had been built up during two decades.³⁹ There is also evidence to show that inferior opium was then being offered by adventurous traders who had bought up the illicit Indian opium manufactured outside the Company's monopoly. Whatever be the truth on this score, the failure of the Chinese to buy more than 330,000 *taels* worth of cotton in the season of 1791/92 so thoroughly frightened the Bengal and Bombay "country" traders that they took prompt measures against fraud. Chinese consumption of Indian cotton stood again at about two million *taels* in the season of 1792/93.⁴⁰

The far-reaching effects of the expansion of the opium and cotton trade with China did not escape the notice of the authorities in Bengal. In the late 1780's, the governor-general and his colleagues were forced to take note of the vast changes

³⁸ A. R. O. B., Batavia 1785, III; 1786, VIII; 1787, VII; lists of foreign ships calling at Batavia in the calendar years 1784, 1785, and 1786.

³⁹ N. L. S., Melville MSS 1069, J. W. Drummond to H. Dundas, Jan. 14, 1790.

⁴⁰ Pritchard, *op. cit.*, p. 402. Concerning opium smuggling, see A. R. O. B., Bengale 1791, I, Titsingh to Althing, Apr. 8, 1790, enclosing information supplied by Capt. Canning of the English "country" ship *Nonesuch*.

which had come over the "country" trade of India. Realizing at last the full import of the commercial revolution in the Indian Ocean which had been going on for three decades, they set before themselves two aims, first to retain the advantages arising out of the increased trade with Malay ports and Canton, second to repair and redevelop lines of trade which had been dislocated since 1750. In particular, they wished to revive the trade of Bengal with other parts of India. The temporary check which the China trade received in 1790 may have had something to do with the government orders then given for an extensive investigation of the customs regulations at many British Indian ports.⁴¹ This subject had formerly engaged the attention of Sir John Macpherson's administration in 1785. It was then known that varying scales of duties at the three presidencies impeded trade between them. The evil effects of the Company's salt monopoly which greatly hindered exports of rice and grain from Bengal to Madras were also realized, but no drastic steps were taken to increase the coastal trade of India.⁴² The investigations of 1790 were on a far wider scale than anything hitherto attempted. At Surat, they forced the chief to undertake historical researches which laid bare the full extent of the commercial revolution. At Calcutta, John Bebb collected a large mass of statistics on the trade between Madras and Bengal. As a result, many duties were lowered and many others abolished at all three presidencies in such a way that virtual free trade was established between all of the British settlements in India.⁴³

Abolition of vexatious duties was of itself sufficient to restore to the coastal trade of India some of its former pros-

⁴¹ Eur. MSS D 281, compilations of customs duties at British Indian ports.

⁴² Dutch Records, A 22, Extracts from a paper sent to Dundas by a Calcutta merchant, Oct. 1, 1785. Memorandum from Bengal, Secret Dept. of Inspection, dated Mar. 23, 1785. Sir John Macpherson's liberal sentiments are here forcibly expressed: "We have it in contemplation to abolish all customs upon the export trade and to render the import trade from Europe equally free from duty to all nations who trade to this part of the world."

⁴³ For details on this subject, see data collected by the compiler of Eur. MSS D 281. The governor-general's minute abolishing duties on all Bengal goods at

perity. To revive exports of Bengal sugar, silk, and piece goods to Surat and Bombay was a much more difficult undertaking. It is significant that Bengal agency houses even attempted this task, for it shows on their part a desire to repair some of the damage done to Bengal's best interests by the Dutch in the 1760's. The chief impetus for these efforts may have come from the East India Company's desire to send Bengal sugar to Europe, but the investigations of the state of "country" trade had their share in this work. They proved that the Bengal sugar industry had not died. Cane was still being crushed in up-country Bengal and across the border in Benares and Bihar. One-sixth of the sugar coming into Madras originated in Bengal and not in the Dutch East Indies. Opportunities therefore existed for reshipping sugar, especially the inferior grades unsuitable for competition in the European market, in "country" trade.⁴⁴ How far Bengal "country" traders were able to take advantage of these opportunities we do not know. "Country" captains apparently had more success after 1791 with sugar than with silk. China silk, most of it brought by the Portuguese from Macao, still held the field in western India in 1793.⁴⁵ Better luck may have attended the Bengal traders in a new line of trade. Prior to 1790, a very large proportion of the arrack drunk by European troops in India had been either Dutch or Portuguese in origin. In that year, Anthony Lambert of the Bengal agency house of Lambert & Ross planned to set up his own arrack and rum distillery outside Calcutta in an effort to drive both Batavia and Goa arrack out of British India.⁴⁶ Lacking more precise information, we cannot gauge the exact results of these struggles to regain for Bengal some of her trade with western India.

Madras and Bombay was issued Aug. 12, 1791. Previously, a merchant financing a voyage from Bengal to western India and return often allowed for combined duties of at least 13 per cent at each end. See memo. on Bengal customs in Dutch Records, A 11, and docs. in Dutch Records, A 22.

⁴⁴ Eur. MSS D 281, data on sugar.

⁴⁵ A. R. O. I. Comité 131, Cochin shipping list for 1791/92.

⁴⁶ Eur. MSS D 281, Anthony Lambert to Cornwallis, Sept. 8, 1790.

All we know is that such attempts were made and that they met with a fair degree of success.

In all three of its branches, western, eastern, and coastal, the "country" trade of India in the decade 1783/93 underwent changes which grew out of the expansion of British commercial activity in the East. In order to understand this phenomenal growth, we need only view the whole variegated scene of Indian commerce from two vantage points toward the end of this decade. From Calcutta, we can visit the docks on the Hugli in 1793 with Anthony Lambert.⁴⁷ From Cochin, we can watch the activity of the port in 1791/92 with the help of the Dutch company's writers who so carefully noted every arrival and departure.⁴⁸

Reviewing the whole course of "country" trade in Bengal, Lambert calculated that the trade had increased fourfold within ten years. From his point of view the gains in the eastern and coastal division of the trade more than compensated for the losses in the western division which then absorbed only a quarter of the tonnage formerly engaged in it in the middle of the eighteenth century. In 1793, Bengal still exported to the westward eight lakhs of current rupees in grain, sugar, silk, and piece goods, and received in return specie and Arabian, African, and Persian wares valued at more than eight lakhs. When considering the eastern division of "country" trade, Lambert found it impossible to give accurate statistics. In his opinion, the exports going east in "country" ships from Calcutta must have reached a total of at least fifty lakhs, of which thirty would represent the value of opium. He gave up in despair when confronted with the problem of reckoning the value of imports into Calcutta from Malay ports and Canton. Everyone knew that "country" captains were bringing in pepper, tin, wax, brimstone, spices,

⁴⁷ Lambert's reports are summarized by the anonymous compiler of Eur. MSS D 281; apparently based on the figures for 1793, they were not put together until about 1795.

⁴⁸ A. R. O. I. Comité 131, Cochin shipping list for 1791/92.

gold dust, tutenague, tea, sugar-candy, alum, lacquer, and porcelain, but everyone also knew that the value of these cargoes was greatly exceeded by the gross return on thirty lakhs' worth of opium and at least ten lakhs' worth of grain, saltpeter, firearms, silk, and piece goods which formed the outward cargoes. The indeterminate balance consisted of the East India Company's China bills of exchange on London. On the remainder of the "country" trade to the eastward, there was obviously no balance in favor of Bengal except possibly in the trade to Burma and to Manila. Lambert believed a small amount of silver which had originally come from Spanish America in the Acapulco galleon reached Bengal via the Philippines. He obviously did not think that the two lakhs invested by Calcutta merchants in exports to the Andaman islands, Botany Bay, and Nootka Sound produced returns of equal value to Bengal either in goods or bullion.

From Lambert's analysis of Bengal's trade to the eastward, we can only conjecture the balance on that trade as a whole. Presumably, if Bengal goods worth fifty lakhs of rupees left Calcutta, possibly Burmese, Chinese, and Malayan goods and silver worth twenty lakhs returned, leaving thirty lakhs as the approximate amount of bills of exchange on Europe purchased by Bengal "country" captains. In any case, Lambert's figures for exports demonstrate how completely the opium exporters dominated and controlled the trade. In 1793/94, "country" traders were buying annually 4,520 chests of opium valued at thirty lakhs of current rupees. If 2,000 to 2,500 chests were annually smuggled into China this would mean that Bengal ships were distributing throughout the Malay archipelago at least 2,000 chests.⁴⁹ In addition, the English, Dutch, and Danish companies were carrying direct to Benkulen, Penang, and Batavia opium invoiced at eight lakhs of current rupees. Lambert reckoned the Bengal and Oudh

⁴⁹ N. L. S. Melville MSS 1069, H. W. Drummond to Dundas, dated Canton, Mar. 27, 1789, enclosing estimates of smuggled opium. The amount may have risen by 1793. There are no exact statistics on smuggled opium at this period.

opium locally consumed in India at three lakhs or about one-thirteenth of the annual poppy crop.

On turning his attention to Bengal's share in the purely coastal trade of India, Lambert testified to the success of the vigorous efforts which had been made in that field during the previous three years. This trade, largely concerned with grain and rice, gave scope for the employment of a larger amount of "country" tonnage. The whole trade to the eastward required no more than 15,000 tons on an annual average, that is to say, larger ships and fewer of them. In contrast, the coastal trade required small ships in large numbers. In 1793, at least 80,000 tons of grain and pulse invoiced at twenty-six lakhs of current rupees, with other Bengal goods valued at eight lakhs owned by Europeans, left Bengal for ports on the Coromandel coast. Lord Cornwallis and the Bengal "country" merchants together had succeeded in bringing Bengal's exports to Madras and other Coromandel ports up to thirty-four lakhs. As far as Bombay was concerned, they had not done quite so well. Only 25,000 tons of grain and pulse worth eight lakhs went to western India, and all the efforts to revive Bengal trade with Surat in sugar, silk, and piece goods had resulted in the export of only 3,100 tons invoiced at five lakhs. Nevertheless, it will be seen that a gross value of forty-eight lakhs of exports from Calcutta to other Indian ports in coastal trade almost equaled the value of exports by "country" traders in the eastern trade. Lord Cornwallis took great satisfaction in this for two reasons. In the first place, he had been able in some measure to revive a purely Indian "country" trade out of Calcutta which had been gravely injured by the commercial revolution in the 1760's and 1770's. In 1793, he thought the fraction of this trade which was purely Indian, in the sense of being both Indian-owned and Indian-commanded, stood at 10,000 tons. In the second place, the expansion of the coastal trade of India greatly facilitated the Company's ability to meet its expenses of government in both Madras and Bombay without exporting specie from Bengal. The return cargoes of

salt, redwood, cowries, coir-rope, pepper, cardamoms, and cotton from the Malabar and Coromandel coasts never equaled the outward cargoes in value. The "country" captains therefore deposited their profits in the Company's treasuries at Madras and Bombay in exchange for bills on Bengal. It did not escape Lambert's notice that the shorter voyages in the coastal trade facilitated a more rapid turnover of capital and enabled an agency house to operate with a relatively smaller amount of tonnage than in the other branches of "country" trade. He calculated the total capacity of all Bengal's "country" ships at 100,000 tons. If only 20,000 tons of cargo-space were used in the eastern and western branches of trade, Bengal "country" ships with a capacity of 80,000 tons were annually carrying at least 115,000 tons of goods in coastal trade. This was possible because a ship could often complete more than one voyage within the same trading season.

Lambert, situated in Calcutta, could survey the greater part but by no means all of the "country" trade of India. From Cochin, we are able to view the scene from a different angle and to confirm the soundness of his observations. The phenomenal increase of British "country" trade within ten years is almost as impressive when seen from the Malabar coast as from Bengal. At least seventy British "country" ships called at Cochin in the season 1791/92. They totaled 27,000 tons of shipping, manned by 4,000 lascars, and defended by 564 guns.⁵⁰ This "country" fleet was therefore twice the size of that which visited Cochin six seasons earlier. It is odd that the number of guns mounted remained virtually the same, but it may be that the greater extension of the *pax Britannica* upon the Indian seas made provision for defense from pirates less necessary. Apparently, half of this tonnage was employed on voyages between Bombay and Bengal. Since the voyages from Bengal outnumbered the voyages to Bengal by more than two to one, it is highly probable that most of these vessels were carriers of raw cotton to China and called at Calcutta

⁵⁰ A. R. O. I. Comité 131, Cochin shipping list for 1791/92.

on the homeward voyage. If this be the case, the figures tend to confirm Lambert's estimate of 3,000 tons annually for the exports from Calcutta to Bombay. The balance of the British "country" tonnage listed at Cochin was chiefly engaged in coastal trade, less than one-third of it being employed in direct voyages between Bombay and the Far East.

As seen from Cochin in 1791/92, the British "country" fleet on the Malabar coast outnumbered all its European rivals by two to one in terms of ships and by three to one in terms of tonnage. In contrast to the situation in 1785/86, the most interesting change in the position of other European "country" traders is the decline of the Portuguese and the rise of the French. There were only three Portuguese calls in 1791/92 as against thirteen in 1785/86, but there were seventeen French as contrasted with six. A real revival of French "country" trade, based chiefly on Mauritius, was under way. Nearly all these French ships were trading between Mauritius and Mahé, Pondichéry, the Maldives, and Colombo. Only one made a China voyage and only two reached Bengal. Apart from the French and the Portuguese, there were a handful of Dutch and Danes engaged in coastal trading. The Dutch also noted the arrival of two "Tuscans" and two Americans who were combining "country" trading with their voyages to and from Europe.⁵¹ It is likewise significant that the British expanded at the expense of their Asiatic as well as their European rivals. The number of Indian "bombaras" and Arab "dhows" which had stood at 200 on the Cochin shipping list of 1787/88 had dropped to 160 in 1791/92.

From whatever source we derive our evidence and from whatever vantage point we follow the fortunes of "country" traders in Indian seas during the years 1783-1793, we arrive at the same conclusion. On every hand, the signs of Britain's

⁵¹ The American ships were the *Enterprize*, 325 tons, 50 men, 8 guns, Adam Babcock, master, en route from Tellicherry to Anjengo, and the *Astrea*, 300 tons, 40 men, 6 guns, John Gibant, master, en route from Bombay to Bengal. See H. Furber, "The Beginnings of American Trade with India 1784-1812," *New England Quarterly*, XI, 248.

far-reaching and rapid expansion at the expense of her European rivals are to be found. Nowhere is this more vividly reflected than in the story of Indian shipbuilding during the second half of the eighteenth century. Indeed if we knew nothing of Indian "country" trade, beyond what we can learn from names of ships and their builders, we could infer from that alone the extraordinary growth of the "country" trade in British hands. Since 1735, the members of the famous Lowjee family and other Parsis had been building ships at Bombay. From Surat, Bombay, and Daman, came the larger part of the "country" fleets of the late eighteenth century.⁵² The great activity of the Bombay shipyards in the late 1780's was a source of satisfaction to the Company's government. Early in 1790, the governor of Bombay sent off a private report on shipbuilding to Dundas at the Board of Control. After describing the progress of Bombay trade with China, the writer concluded:

From the great number of very capital new ships built in our settlements within the last eighteen months and those now on the stocks, there seems no risque of a want of tonnage for very many years to come.⁵³

The most striking consequence of the increase of British "country" trade was the development of a European shipbuilding industry in Bengal and in Burma. The building of "country" ships under European supervision in Bengal began possibly as early as 1760,⁵⁴ but the first ship of which we have record was the *Arracan* or *Amazon* launched in 1769. Her name suggests that she was built of Burmese timber. Hence, it is probable that the Bengal shipbuilders depended from the very beginning on Pegu teak which was lighter and more buoyant than the Malabar teak used by the Parsi shipbuilders

⁵² For Indian shipbuilding, see W. H. Coates *The Old "Country Trade" of the East Indies* (London, 1911), pp. 50 ff., and Balamukunda Piplani, *Probleme der Indischen Schiff-fahrt und Schiff-bau-Industrie 1772-1849* (Nuremberg, 1934), pp. 95 ff.

⁵³ Melville MSS in the possession of Francis Edwards, papers enclosed in letter of Sir Robert Abercromby to Dundas, Apr. 21, 1790.

⁵⁴ C. N. Parkinson, *Trade in the Eastern Seas 1793-1813*, p. 331.

at Bombay. As time went on less teak was used in Bengal ships. Demand for cheaper ships made it desirable to use teak only for the most vital parts of a ship. There is some doubt as to whether teak ships were ever coppered or not, but the evidence available implies that some of them were.⁵⁵ The greater need for copper for "country" ships' bottoms may explain the expansion of the market for European copper in India in the late eighteenth century.

During the 1770's, the Bengal shipbuilding industry remained insignificant. As far as we know, only the *Minerva* and two small snows were laid down for the Company. No other "country" ships were built, and the Calcutta agency houses carried on their business with Surat or Bombay ships. The real stimulus to European shipbuilding in Bengal came with the American War. It was in 1781 that Colonel Watson built his first large ship on the Hugli, the *Nonesuch* of 500 tons. She was constructed of teak planks and sisoo timbers, and mounted 33 guns.⁵⁶ After that date, the industry developed apace with Colonel Watson and Captain Kyd, the founder of Calcutta's botanical garden, as the chief builders. In 1787, Isaac Titsingh reported to the Dutch governor-general at Batavia that the English at Calcutta were busily building large "country" ships of "Pegu wood" and small sloops of sisoo wood from Patna.⁵⁷ Of the shipbuilding industry in Burma, we know relatively little except that it was carried on by European adventurers of all nationalities. The French were building country ships at Rangoon in 1785. Ten years later, Captain Symes on his official mission to Ava found Rangoon shipyards flourishing. Ships of all types were being constructed

⁵⁵ Eur. MSS D 284, data on shipping. The *Hindustan* is here spoken of as: 800 tons burden, built and coppered in Bengal for 118,000 *sicca* rupees, later sold in Bombay for 160,000 *sicca* rupees. Also the *Speke*, 500 tons, was coppered and fitted for 55,000 *sicca* rupees. See also H. M. 387, paper on "Trade of This Country with Europe," 1792, which attributes the increased use of copper to the demand for ships' bottoms.

⁵⁶ The *Nonesuch* was used by Warren Hastings for the E. I. Co.'s opium venture to China in 1782. See Owen, *op. cit.*, p. 56.

⁵⁷ A. R. O. B., Bengal 1788, I, general letter to Batavia, Mar. 31, 1787.

by a horde of Burmese carpenters working under European overseers.⁵⁸ In spite of cheap labor costs, building a sizable "country" ship in India and fitting her out with naval stores, largely imported from Europe by illicit traders, was an expensive business. For a ship of 600 to 800 tons it meant an investment of at least a lakh of rupees. She might last a quarter of a century or longer but, in an era of expanding trade and quick profits, a few "country" merchants were not interested in a ship's longevity. They wanted immediate results. For this reason the Indian shipbuilding industry had to face competition from the other side of the world. In 1793, the Calcutta Marine Committee reported that ships were being built in American yards with a view to their disposal at a large profit in Calcutta where they could undersell India-built ships.⁵⁹

The expansion of "country" trade meant the building of bigger and better "country" ships. At the close of the eighteenth century, a thousand-ton "country" ship with her colored "dun-garee" sails, coir rigging, bamboo booms, and yellow trimmings must have been an impressive sight as she made port with the lascars manning her yards.⁶⁰ From the Dutch shipping list of 1791/92 we get glimpses of some of these giants as they entered Cochin. On September 15th, arrived the *Surat Castle*, "1,000 tons, 100 men, 12 guns, Henry Laurie, master" calling en route from Bombay to Bengal via Colombo. Two months later, the *Travancore*, "1,000 tons, 150 men, 12 guns, Hardie, master" arrived to load Malabar teak for the Bombay shipyards. In the following spring came the famous *Lowjee Family* of 800 tons manned by 125 lascars and commanded by John Elmore who was possibly a relative of H. M. Elmore, the author of the well-known *British Mariner's Directory and Guide to the Trade and Navigation of the Indian and China Seas* published in 1802. Finally toward the end of the season appeared the queen of the British "country" fleet, the "*Sham-*

⁵⁸ Piplani, *op. cit.*, pp. 95 ff.

⁵⁹ Eur. MSS D 281.

⁶⁰ Parkinson, *op. cit.* p. 332.

inder, 1,300 tons, 150 men, 16 guns, Smith, master," calling for water and provisions on her homeward voyage direct from Canton to Bombay.⁶¹

The ability of European merchants and agency houses to build such ships as these in itself testifies to the dominant position of the "country" merchant in the life of European communities in India. He became more and more the essential part of the system whereby British power drew the great regions of a continent more closely together.⁶² Keeping in mind the way in which the British pushed their European rivals from the Indian scene and gathered the fruits of both "country" trade and "Europe" trade into their own hands, we can now turn to the story of their activities as manipulators of the British political and governmental machine itself.

⁶¹ A. R. O. I. Comité 131, Cochin shipping list for 1791/92.

⁶² The gross increase in "country" tonnage owned by British subjects is stated as follows in Eur. MSS D 281, for the eight years 1783-1791: 1783, 44,865 tons; 1791, 175,407 tons. In 1773, the British amount is said to have been 25,080 tons.

CHAPTER VI

TRADE AND POLITICS IN MADRAS AND BOMBAY

EARLY IN MAY 1787, Captain W. A. Gay of the "country" ketch *Nymph* sat on the verandah of his bungalow at Negapatam deeply troubled in spirit. He had recently heard from Madras that the new governor of the Presidency, Sir Archibald Campbell, had ordered every European not in the Company's or His Majesty's service to give an account of himself. Like every European similarly situated Captain Gay knew he had no legal right to be in India without the Company's license, but, hitherto, no British governor had ever troubled to enforce strict compliance with that legal formality. Now, however, it appeared that the new brooms were to sweep clean. The easy-going era of Warren Hastings during which a young seaman could easily desert a Company ship to seek his fortune was gone forever. As he thought of his years of struggle to earn enough to buy his own ship, Captain Gay was uneasy. He had recently married, purchased his bungalow, and was happily engaged in trading from port to port on the Coromandel coast. He loved the life and the country. He did not like the thought of leaving India, at least not until he had acquired a competence which would support him in England. In order to avert such a disaster, he decided he must write a letter to the governor which would put his case in the best possible light. Unaccustomed as he was to writing, he left the governor in no doubt as to his sincerity, for he concluded:

I am regular in discharging the Hon. Company's customs, paying my debts, going to Church, and praying to the Father of mercies for the prosperity of King George and the Honourable East India Company.¹

¹ Mad. Record Office, Pub. Dept., Sundries, 41, W. A. Gay to Govt., dated Negapatam, May 4, 1787. See H. Furber, "Madras in 1787" in *Essays in Modern English History in honor of Wilbur Cortez Abbott* (Cambridge, Mass.:

Captain Gay, no less than Warren Hastings, had a stake in the established order in British India. He would doubtless have been much relieved could he have known that he was to be described as an "industrious, sober man" by the Company's servant who first read his letter, and that Sir Archibald Campbell had no intention of deporting Europeans who behaved themselves whether they had settled in India with or without the Company's license. Nevertheless, Sir Archibald's inquisition into the lives of Europeans in his Presidency was part of the new policy of reform inaugurated by Pitt's India Act. That policy contemplated a stricter supervision of Europeans both inside and outside the Company's service. In dealing with the activities of the agents of the French, Dutch, and Danish East India companies and of illicit traders of all nationalities, we have noticed how the difficulties of these agents were increased by that policy; how their efforts to sell their bills of exchange and respondentia bonds in India were affected not only by the parliamentary prohibitions but by the English East India Company's provision of better facilities for the investment of funds in its own bonds and bills of exchange. It now remains to consider the consequences of Pitt's India Act both in India and in Europe from a purely British standpoint.

In so far as India is concerned, Madras for two reasons affords a better opportunity than either Bombay or Bengal for a complete investigation of the state of government and society in British India at this period. In the first place, Sir Archibald Campbell's investigations made in 1787 within a year of his arrival at Madras were unusually complete and thorough. Secondly, the East India Company's Madras books of account—ledgers, journals, and mint accounts—which also survive entire, tell their story more clearly than those for Bombay and Bengal. For Bombay, the Company's books,

though equally complete, need to be supplemented by investigations of government at Bombay similar to those made at Madras. For Bengal, the Company's bookkeeping methods were at this period so complex that an expert accountant, trained in the twentieth century, would probably find it impossible to interpret them. An understanding of the development of Madras government and society prior to 1788 enables us to trace more accurately the course of similar developments in the other two presidencies and to appreciate more fully the social and economic consequences of Lord Cornwallis' war with Tipu Sultan.

At Madras in 1787, as at other European settlements in India, "government" was concerned in almost every aspect of European activity. In the eyes of every European, whether he were in an official position or not, the Company's government existed to serve him. No one expected the Madras government to make ends meet and no one had an interest in extending the scope of the Company's purely commercial activities. No more illuminating commentary on the way in which the Company's interests as "merchant" were steadily subordinated to the exigencies of its position as "sovereign" exists than that afforded by the Company's commercial balance sheets at Madras. Sir Archibald Campbell's investigations extended to a detailed survey of the "import" and "export" warehouses. The survey of the import warehouse was hardly worth making. Apart from stores and supplies designed for its own use, the Company imported nothing to sell for profit except woollens, copper, and Madeira wine. As the wine was brought for consumption by the wealthier members of the European community and the woollens were then unsalable even though continually offered at "public outcry," there remained only the copper which was peddled out at an average profit of 33 per cent to Indian and European retailers. At the export warehouse, only two cargoes of piece goods were made up for shipment to London in the season 1786/87, and only one and a half in the season 1787/88. Their combined value hardly

exceeded two lakhs of pagodas (£80,000).² The Company's mercantile transactions at Madras may therefore be thought of as hardly worthy of serious consideration. One ship outward and two ships homeward would have sufficed to take care of them—a state of affairs reminiscent of the early seventeenth century.

A large number of the Company's ships continued to call at Madras in order to accommodate the members of the European community in their various private capacities. Southern India was an excellent market for the miscellaneous assortments of "Europe" articles brought out by the commanders and officers of the Company's ships on their "privilege," and the great Madras agency houses, Balfour & Spalding, Pelling & DeFries, Amos & Bowden, and Francis Lautour & Co., liked to have the Company's China fleet call at Madras outward bound so that they could fill its vacant spaces chock-full of the raw cotton consigned to them from Bombay for transshipment to Canton. Sir Archibald Campbell was the first governor to force them to pay freight for this privilege.³

If no Madras European had an interest in expanding the Company's purely commercial activities, every European had a motive for seeing to it that the business the government did in its political capacity should not be curtailed. By 1787, it had become a vast spending organization encumbered with its own local bond debt of 28 lakhs of pagodas. It lived continually from hand to mouth. At the end of the financial year in April 1788, Sir Archibald Campbell congratulated himself because his government was only in arrears 68,000 pagodas on the pay of the civil servants, 164,000 pagodas on the military budget, 251,000 pagodas on the amounts due to creditors of the nawab of Arcot, 105,000 pagodas on the interest due on bonds, and 52,000 pagodas on the commissions due to the

² Madr. Record Office, Pub. Dept., Sundries, 40, reports of Import Warehouse-keeper, and Export Warehouse-keeper.

³ Madr. Pub. Con., range 241, vol. 3, p. 3088. These Consultations are full of references to this practice of shipping cotton.

civil servants collecting revenue.⁴ On one side of the political ledger were the small amounts of revenue received from the territories immediately under the Company's control and the subsidies paid by local princes for military protection; on the other side were the vast expenditures for the upkeep of the army and civil service; on both sides were the sums paid in by the nawab of Arcot and then paid out to the nawab's creditors under the arrangements for the liquidation of the nawab's debts.⁵ No system could have been better devised to make business for the European agency houses.

In order to understand the situation in which the Madras government was placed, we must think of it as a business firm hovering on the brink of bankruptcy and ill-served by a group of employees who were engaged in cheating it at every possible opportunity. Since the two sides of the Company's Madras ledger could never come within measurable distance of each other without the aid of a huge subsidy from Bengal, the Madras government's chief concern was the arrangement of the transfer of this subsidy, a task which could be accomplished only with the facilities provided by the great agency houses. During the trading season of 1786/87, for example, approximately one crore of the Bengal government's current rupees were transferred to Madras, forty-four lakhs in Bengal government bonds, fifty lakhs in bills of exchange, and the balance of six lakhs in rice.

All three types of transfer, bonds, bills of exchange, and rice, meant business for the Madras agency houses. The bonds would pass through their hands in various ways. On the one hand, they could buy some of these Bengal bonds direct from the Madras government to be marketed among the Madras European community; on the other hand, they could buy the bonds from Company servants who had been paid their salaries in bonds in lieu of cash. In any case, a large amount of these bonds would remain in the care of the Madras agency houses

⁴ *Ibid.*, vol. 5, p. 840.

⁵ *Madr. Treas. Journals and Ledgers, passim.*

acting in their capacity as trustees, attorneys, and executors on behalf of Company servants. The bills of exchange were of course marketed directly among the agency houses by the government. The government advertised publicly for tenders for its bills on Bengal. The various houses then offered the amounts desired and agreed to pay the golden pagodas into the Company's Treasury in Fort St. George. The rice contracts chiefly benefited European rice contractors at Calcutta, such as George Tyler, who dealt with the Bengal government, but the rice after arriving in Madras on a fleet of "country" ships was marketed with the help of Madras merchants.⁶

The difficulties of carrying on widespread business operations in eighteenth-century India are extremely well illustrated by the Company's Madras books.⁷ In spite of the regularity with which transfers of funds were received from Bengal, the Madras government was constantly in difficulties. More than once during a financial year it would find itself utterly unable to meet absolutely essential payments out of the resources it had available in the Fort. At such times, the governor would desperately look about among the financial statements of the subordinate factories and residencies seeking one upon which he could draw for help. He was thus constantly in contact with Indians *shroffs* and merchants, for it was they who did most of the business with the remoter parts of the Presidency. Without their help, transfers of funds between the Madras government and its subordinate "Chiefs and Councils" in the north and "Residents" in the south could not be made. Since business, and especially Indian business, was transacted in terms of every conceivable kind of silver rupee and gold pagoda circulating in southern India, the Company's accounting problems were extremely complex. They must have occupied a

⁶ Madr. Pub. Con., range 240, vol. 67, p. 487; range 241, vol. 2, p. 2384; vol. 6, p. 1287.

⁷ See numerous letters to and from the subordinate settlements in Madr. Pub. Con., range 240, vols. 67 and 68 and range 241, vols. 1, 2, 3, and 4; sundry items in Madr. Treas. Journals for 1780's, and reports of government departments in Madr. Record Office, Pub. Dept., Sundries, 40.

large share of the energies of the sixteen hundred Indian employees already working under the direction of the Company's civil servants. Many of these Indian clerks were solely occupied in bringing hundreds of transactions into some semblance of order to enable their European superiors to keep the Company's books in terms of the "current" or "star" pagoda.

Through its mint, the Company served not only its own interests, but those of the whole Madras business community whether Indian or European. Under the eye of the Company's European assay-master whose chief duty was to ascertain the "touch of gold," Chippermall Chitty, the mint contractor, and his fellow goldsmiths and coiners melted down the hoard of miscellaneous coins brought to their furnaces and struck pagodas and rupees of standard fineness.⁸ The "star" pagoda in which the Company's books were kept was not, like the Bengal current rupee, an imaginary coin. It was a real gold coin with a star on one side and a figure of "Swamy" (Vishnu) on the other. It circulated in company with the so-called "Three Swamy" or Madras pagoda which, though only 9 per cent greater than a "star" in intrinsic value, often commanded a premium of 18 per cent because of Indian predilections for a coin bearing three effigies of "Swamy" instead of one.⁹ These two gold coins, with their subdivisions of silver "fanams" and copper "dubs" or "cash," seem to have been most used in the commercial life of Madras itself. For transactions with the remoter parts of the Presidency silver Arcot rupees were apparently more needed. Both the Company itself and the agency houses were constantly having them coined at the mint for that purpose.

The Company's government was therefore a machine well adapted to the needs of the Madras mercantile community.

⁸ Madr. Record Office, Pub. Dept., Sundries, 40, report of the Assay-Master.

⁹ H. M. 366, Memorandum on Madras Coinage. "Swamy" (i.e., *swami*, lord) seems to have been the word commonly used by Madras Europeans to designate Vishnu. The three effigies on the "Three Swamy" pagoda were those of Krishna (Vishnu) with Lakshmi and Rukmini. See H. D. Love, *Vestiges of Old Madras*, (London, 1913), I, 193.

When we think of its transactions with the agency houses we must not forget that the agency houses derived their resources not only from "country" trade but from the Company's servants who were so busily cheating their indulgent employer. The activity of these Company servants in its turn contributed to the rising prosperity of those members of the European community who were not directly connected with the great agency houses. On his arrival, Sir Archibald Campbell found that the cleansing of the Augean stables of corruption in the Company's service had hardly extended beyond the environs of Madras. Those of the one hundred seventy-five civil servants who were stationed in the immediate vicinity of Fort St. George were finding it difficult to discover where large profits were to be found. By 1786, methods of revenue collection in the area had become so standardized that only petty corruption was possible. Likewise, such cloths as were collected there for the Company's "investment" were woven in the Company's own villages under the so-called "thread and money" system which gave little scope for corruption. This meant that the export warehouse-keeper in most cases dealt directly with the weavers in each village, issuing thread and money through one or two Indians who were employees of the Company and not private "contractors." The cloths were washed, bleached, and beaten in Madras by the Company's own corps of washers and beaters before being taken to the export warehouse to be baled for shipment. Although, in some villages, the Company used private Indian "contractors," it rigidly supervised their dealings with the weavers and did not allow them to act as independent merchant middlemen.¹⁰ Such was not the case in the remoter parts of the Presidency where revenues were collected and cloths purchased in a far looser manner.

Any ambitious and unscrupulous young writer, just arrived in Madras in 1787, would have been eager to serve under a

¹⁰ Madr. Record Office, Pub. Dept., Sundries, 40, report of the Export Warehouse-keeper.

Company chief at a "subordinacy" or under a Company resident at an Indian durbar, for it was such posts which afforded the best opportunities for gain. The Danes, as we have seen, found many a Company servant in the Northern Circars willing, though sometimes reluctant, to betray his trust. The Company's servants at such places as Vizagapatam, Ganjam, and especially Masulipatam were inextricably involved in all kinds of financial relationships with the wealthier Indian merchants and landowners in their districts. Landowners, anxious to delay payment of the *kists* of revenue, offered bribes of all kinds. Merchants, anxious to profit by "contracts" to collect cloths for the Company, importuned the chiefs continually. The chiefs and their councils, profiting greatly by the existing arrangements for farming out the Company's "investment" in a truly Roman manner, did nothing to foster the introduction of a "thread and money" system. Members of the Board of Trade in Madras, some of whom had already served under such chiefs and councils, were then hard at work in an effort to destroy the "thread and money" system wherever it existed.¹¹

The Company's Madras military servants outnumbered their civil colleagues by four to one. It was they who must have contributed the most to the prosperity of European Madras. There were seven hundred of them, all attached to sepoy regiments in some capacity, all enmeshed in the business of feeding, transporting, and paying 30,000 men — a business honeycombed with "subsistence allowances" and "perquisites" which had been exacted for so long that they were considered legitimate.¹² An unscrupulous officer could supplement his gains from these sources by levying tribute on the Company

¹¹ Madr. Pub. Con., range 240, vols. 67 and 68 (especially p. 1237), and range 241, vols. 1, 2, 3, and 4, letters to and from Masulipatam and other subordinate settlements; also reports of Madr. Bd. of Trade of Feb. 22, July 13, Sept. 21, and Oct. 9, 1787.

¹² The India Office has a rare printed list of officers serving on the Coast of Coromandel in 1788. Other lists are in Madr. Army Lists A, vol. 3, and in Madr. Mil. Con., range 252, vol. 20, p. 1579.

through collusive buying of stores of all kinds. These army officers accepted the confused state of the Company's finances as a matter of course, never expected their regular pay on time, and were seldom surprised to receive Company bonds instead of cash. It was their "private concerns" which bulked largest in their lives, and the pages of the Madras "military consultations" are filled with their applications for leave to come to Madras on private business. Although their two hundred colleagues who staffed the four regiments of royal troops and two regiments of Hanoverians then quartered in Madras were King's officers with all the traditions of their class, it need not be supposed that King's officers were above making the most of a brief sojourn in India. Their opportunities were, however, more limited. They and the European rank and file whom they commanded contributed chiefly to the profits of the retail shops kept by Europeans who had drifted to Madras in one devious way or another.¹³

The evidence of corruption uncovered by Sir Archibald Campbell enables us to gain a clearer conception of the nature of the "private concerns" of an army officer or civil servant. The new governor found that the embezzlement of military stores at Madras had been going on for forty years. The officer responsible had simply sold assortments on his own account and charged them out as if issued for the use of the garrison. Captain Thomas Bedford, the storekeeper unfortunate enough to be in office when the investigations of 1787 were made, stabbed himself rather than face trial for the offense.¹⁴ There are a number of specific instances of collusive contracts. George Westcott, the gentleman who later safely reached England on a "foreign" ship, was an expert at the art. On one occasion he paid Indian bullock-contractors 1,600 pagodas less than the Company paid him for the bullocks. At Masulipatam, he bought grain for the garrison at one price and charged it

¹³ Madr. Record Office, Pub. Dept., Sundries, 41, several letters of retail shopkeepers.

¹⁴ Madr. Abs. of Disp. to Court of Directors, secret letter of Nov. 10, 1786.

up to the Company at a higher price, thus making a neat profit of 4,000 pagodas on a single transaction.¹⁵

When a George Westcott or a Thomas Bedford brought his money to Madras to invest, he often dealt with men who had themselves been in the Company's service and who had wide experience of the Indian scene extending back perhaps to the pre-Hastings era. It was on the advice of such men that he decided whether to invest in bonds, or bills of exchange, or a "country" venture to China, or simply to leave his funds at interest in Madras. The great agency house of Balfour & Spalding was apparently directed wholly by men who either were or had been Company servants. Though never in the Company's service, Andrew Ross, the leading merchant of Madras in the late eighteenth century, had been intimate with every European of consequence for thirty-five years. From the profits of his agency business he had built a substantial fortune and had risen to be mayor. James Amos, who later associated Company servants with him in business, "came passenger to India on board the ship *Earl of Ashburnham* in the year 1774 without leave of the Company." His opportunity to expand his firm may have come with the acquisition of Danish business formerly done by Pelling & DeFries. Messrs. Pelling & DeFries themselves represented a union of English and Portuguese interests in Madras. John DeFries, a Portuguese born in Madras, may have taken in John Pelling as a partner in order to use the funds of Company servants in financing Portuguese and Armenian "country" traders. Francis Lautour, who conducted one of the smaller mercantile houses, was also "acting as agent for His Majesty's two Hanoverian regiments." Though a Swiss, Lautour had come to India in 1777 as a member of the crew of Sir Robert Harland's squadron.¹⁶

¹⁵ *Madr. Mil. Con.*, range 252, vol. 19, p. 783; *Pub. Con.*, range 241, vol. 2, p. 2548.

¹⁶ *Madr. Record Office, Pub. Dept., Sundries*, 41, letters of Andrew Ross Feb. 16, 1788; James Amos, July 18, 1787; Francis Lautour, Apr. 30, 1787.

As heads of agency houses, these Madras merchants were the leaders of the group of Madras Europeans who lived upon the business given them by the European troops and the thousand members of the official community. In this group, the lawyers stood next to the merchants in importance. Their quality left much to be desired. The Madras bar was the refuge of the "climber" and of the English, Scottish, or Irish attorney who wished to make a second start in life far from home. The records of the Madras Mayor's Court bear eloquent testimony to the success of these gentlemen in encouraging litigiousness among both Europeans and Indians by every means in their power.¹⁷ Their leader, Stephen Popham, a brother of the future Admiral Sir Home Popham, had fled to India a bankrupt. Obligated to enter the Irish House of Commons in order to carry on an Irish law practice which he had inherited from an uncle, Popham had wasted his substance in borough-mongering and fighting Irish parliamentary reform. Four years in Madras sufficed to make both his fortune and his reputation, for he devised a plan for policing the town and bought a site for the new Indian market.¹⁸

Besides the lawyers and merchants, there were about 150 "independent" Madras Europeans in 1787. When Sir Archibald Campbell called them all individually to account, he found that only a handful of them had either paid their own way to India or bothered to acquire the Company's license to reside there. Few of them were seekers after great fortune. Like Captain Gay, they sought contentment and a happier way of life than the one open to them at home. Many of them had secured berths as midshipmen on the Company's ships or as privates in the Company's army with the intention of deserting at the first opportunity. Not all of them were British

¹⁷ Madr. Mayor's Court Records, range 329, vol. 42. In 1787, Indians sued to recover 18,000 pagodas from Europeans, and 23,000 pagodas from their fellow-Indians; Europeans sued Indians for 17,000 pagodas, and other Europeans for 40,000 pagodas.

¹⁸ Madr. Pub. Con., range 240, vol. 66, p. 220; range 241, vol. 2, p. 240r; range 240, vol. 68, pp. 1095, 1592, *et seq.*

subjects, but all hoped to be allowed to go on furthering their "personal concerns" under the protection of British power. No matter what their origin, nearly all were ready to turn their hand to whatever occupation appeared most promising. Their autobiographies are all human stories of success or failure in a land where any man's future was always unpredictable.¹⁹

One day in 1776, John Leathem, who had been waiting for months in Madeira for a chance to get out to India, climbed aboard the Company's ship *Nassau* in the harbor of Funchal and met Angus MacIntosh. Both men found an interest in common in their knowledge of clocks. Eleven years later, Messrs. Leathem and MacIntosh were the most reputable firm of clockmakers in Madras and had long been in charge of "the Honourable Company's clocks." Peter Alexander and Samuel Britain came out together on the *Southampton* as servants of Mr. Cotsford, recently appointed chief at Masulipatam. By 1787, they were the leading European shopkeepers of Masulipatam and owned their own "country" vessel. Charles Lloyd, a Hanoverian Jew, arrived on the French ship *La Lion*, served for a time as a doctor in Hyder Ali's army, and then settled down as a baker in Madras. Thomas Andrews came out as a midshipman under Sir Edward Hughes in 1780, was captured by the French under Suffren, and imprisoned under Hyder Ali, yet preferred to stay in India to open a shop near Fort St. George.

Men such as these, whether they served the Company or not, were not particularly enamored of schemes of reform, yet Sir Archibald Campbell was obliged to attempt to put Pitt's policy into effect. He ordered the deportation of a handful of undesirable characters, but he took no drastic steps to alter the social or economic structure of eighteenth-century Madras. Cramped as he was in the financial sphere, he could do little against foreign remittances except encourage the purchase of

¹⁹ These autobiographies are in letters filed in Madr. Record Office, Pub. Dept., Sundries, vol. 41.

Bengal bonds and bills of exchange. It is rather remarkable that what he could do had such marked effects upon the business of the Dutch, Danes, and French. Nevertheless, he was not in the position of Lord Cornwallis at Calcutta and the financial measures that he took to carry out the policy of Pitt's India Act could have no comparable results.

Ignoring the actual complexities of their Madras finances, the Court of Directors expected their governor at Madras not only to persuade the owners of 8 per cent bonds issued in Madras to exchange them for 5 per cent bonds issued in London but to sell bills of exchange on London and invest the proceeds in piece goods. Both these ends might have been accomplished if the Court of Directors had not expected their servants to place patriotism above profit. By imposing an exchange rate well below 8 shillings for the pagoda, they offered their servants no inducement except safety. Of the 28 lakhs of pagodas outstanding in the Madras government's local 8 per cent bonds, about half were thought to be in the hands of wealthy Indians who had bought them up at a heavy discount from impecunious European army officers. The Court of Directors were not so mad as to expect Indian owners of bonds in pagodas bearing 8 per cent interest to exchange them for sterling bonds issued in London bearing 5 per cent, but they did hope British subjects could be induced to buy back a large portion of these bonds from Indians. Such hopes were doomed to disappointment. Few of the Indians wanted to sell securities which were yielding them an actual return of well over 8 per cent, and some of them may have been acute enough to realize that their European masters would do their utmost to see to it that these bonds were never repudiated.²⁰

At a low exchange rate for the pagoda, the Madras European had no motive either for buying more 8 per cent bonds for exchange into sterling bonds or for turning in 8 per cent

²⁰ *Madr. Abs. of Disp. to Court of Directors*, public letter of July 17, 1787, secret letter of Nov. 10, 1786; *Madr. Pub. Con.*, range 240, vol. 66, p. 10; vol. 67, pp. 990, 1083, 1694.

bonds already in his possession. He had at least three or four other ways of realizing sterling in London more cheaply if he desired to do so. Investments in "country" trade, in the bills of exchange of foreign companies or individuals, and in Bengal bonds or bills of exchange convertible in Calcutta into China bills of exchange were still open to him. Consequently, all Sir Archibald Campbell's public advertising and private persuasion sufficed at this time to transfer to London only two and a quarter lakhs of pagodas or less than £90,000 of the Madras bond debt. The resulting saving of 18,000 pagodas in interest charges contributed little or nothing to the simplification of Madras governmental finance. Attempts to sell £150,000 of the Company's London bills of exchange as authorized by the directors met with a similar fate. With the exchange fixed at 7s. 6d. per pagoda, the government's first public advertisement in the *Madras Courier* in 1787/88 evoked only four offers from European individuals and agency houses. On this occasion only £35,000 in such bills were actually issued.²¹

The coexistence in eighteenth-century British India of governmental insolvency with advancing prosperity within the European and Indian mercantile community is nowhere better illustrated than at Madras in the late 1780's. In order to understand how this situation had arisen, we must turn back to the years just prior to the American War. A glance at the Company's Madras books for the early 1770's shows that the Company had not then abdicated all its commercial functions. At that period, the Madras government was engaged in commercial transactions with Bombay and it was making remittances in silver and tin to Canton. Beyond that, it was receiving occasional shipments of silver from Europe. The scandal of the nawab of Arcot's debts to Europeans at usurious interest had already begun but had not reached serious proportions. Unfortunately for the Company, its servants discovered the

²¹ *Madras Public Accounts*, range 241, vol. 5, p. 840; vol. 1, p. 1803; vol. 2, pp. 2426, 2438, 2677; range 240, vol. 68, p. 1269.

easy road to fortune through lending huge sums to the nawab at the very time a European war was about to break out. The extension of that war to the Carnatic made the pyramiding of debt doubly easy. From the financial year 1778/79 on, the essential features typical of Madras governmental finance in 1788 begin to appear. The chief difference is that the transfers of funds from Bengal were then made not through "country" trade but in direct shipments of specie from Calcutta. This made business for "country" traders who sometimes were entrusted with this specie, but it made more business for the captains of His Majesty's naval vessels who received the freights on specie consignments as a private perquisite.²²

During the most critical year of the war, 1781/82, shipment after shipment of treasure poured into Madras. In May, arrived 36 chests of "mixed Oude and Bengal rupees"; in July, 35 chests of Arcot rupees; in the following autumn, "ingots of gold" invoiced at eleven lakhs of current rupees together with twelve lakhs in silver *sicca* rupees. This treasure was used to buy supplies, including naval and military stores then being smuggled into southern India by illicit traders. In addition, the Madras government was, by issuing bonds, borrowing from its own servants, from "country" traders of all nationalities, and from Indian *shroffs*.²³

The impecunious among the European army officers were anxious to make what they could quickly. During the war, they took their "cuts" on collusive contracts and did their best to remit them to Europe through foreign channels. As the war closed, they dumped their bonds in Madras, gladly took half their face value or less from Indian brokers or European agency houses, and then went home to agitate for the

²² Madr. Treas. Journals, sundry entries 1772/73-1779/80; journal for 1779/80 contains items *re* import of gold from Bengal; an entry on July 31, 1785 in journal for 1785/86 *re* freight of silver on a naval vessel shows practice of "perquisite" to naval captains was customary; for a detailed account of the nawab's debts, see P. E. Roberts, *India under Wellesley* (London, 1929), pp. 85-101.

²³ Madr. Treas. Journal 1781/82.

prompt payment of their "arrears" in Leadenhall Street. Only the prudent had any chance of success in this dangerous game; few arrived home with fortunes, and many remained in the clutches of their Indian creditors. The wealthier and more prominent among the Company's servants usually divided their risks. They held on to the larger portion of their bonds, and it was they who formed a most formidable *bloc* among the East India interests determined to see to it that the Company honored all its obligations. In their interests, the regrettable decision of Pitt and Dundas to return the Carnatic to the nawab's administration was made. On their behalf, the Madras agency houses received many of the payments made in 1787 to the "Public and Private Creditors of his Highness the Nabob," and invested them as they saw fit.²⁴ Without the war, the piling up of governmental debt at Madras might have taken place, but the process would have been slower, and the Company need not have so completely abdicated its functions as a merchant.

At Bombay, there was a similar increase of debt occasioned by the American War, but, precisely because there was no nawab of Arcot and no complex problem of military or territorial administration, the governor of Bombay was still in many respects a merchant among merchants. Though it is true that the Company, *qua* merchant, never made profits at Bombay during this period, the settlement was still administered as a trading "factory." It had no territorial possessions outside its own immediate vicinity. It exercised its power and influence in areas of western India where administration by local nawabs and princes had not broken down. Its servants, when they made private profits in peace time, usually made them in "country" trading just as they had in the seventeenth century. As a debtor government, Bombay like Madras had to draw on Bengal to make up its deficit. Since the "country"

²⁴ Madr. Treas. Journals 1787/88 and 1788/89, entries concerning payments on behalf of the nawab's creditors show that Porcher & Redhead, and Balfour & Spalding secured much of the business.

trade in English hands at Bombay and Surat could not alone cope with the financing of these transfers of funds, the Bombay government was brought into more and more intimate contact with Indian merchants and bankers who could arrange transfers overland through their correspondents in Lucknow and Benares.

Nearly every page of the Bombay books of account tells a story of the various stages of development through which the English East India Company passed. In these books, the forms of bookkeeping used in the seventeenth century were preserved, but no attempt whatever was made to revise the accounting methods in the light of the realities of the late eighteenth century. These ledgers and journals for the 1780's show that the Company in Bombay then stood, as it were, at an intermediate stage. It had ceased to be primarily a "merchant"; it had not yet become primarily a "sovereign." It was in a period of transition; its remaining mercantile interests were constantly, if slowly, being whittled away by its servants and "the commanders and officers" of its ships who were anxious to further their own private mercantile concerns.²⁵

In order to see things as they were in the mid-1780's, it is necessary to rid the Company's Bombay books of the dead wood accumulated during many previous decades. One can hardly do so without some feeling of sympathy for the young writers in their teens who so patiently copied useless item after useless item. If questions were asked, they were probably answered with a curt command to make up the journal as it always had been made up. Many a writer, on closing the books at the end of a year, must have smiled as he totaled the items and carefully wrote beside the final item "Stock for the Honourable Company's net estate at this Presidency and Factories subordinate which may it please the Almighty

²⁵ The captains of the "Bombay and China" ships had long been accused of subordinating the Company's interests to their own by making country voyages on the Malabar coast en route to China. See *Five Letters . . . to Warren Hastings* (London, 1783), attributed to Joseph Price.

to increase and prosper.”²⁶ At the end of the 1780's, the Company at Bombay was still carrying as an asset “Dead Stock” listed at 98,59,500 Bombay rupees. This item represents what had been paid for the fort and all other fixed assets including ships. As far as one can see, depreciation in the modern sense of that word was rarely if ever written off. More fictitious still was an item for “Expeditions” standing among the assets at 1,39,43,091 rupees. This meant that the Bombay government had expended over a crore of rupees on military expeditions during the eighteenth century. None of this was apparently ever charged off to expense. It was carried as an asset in the hope of recovering some of it from His Majesty's government at some future date. The writers also copied annually a long list of “Old and Doubtful debts” totaling 19,47,880 rupees, none of which was recoverable. Hundreds of items listed under “Money and good debts” likewise appear unrecoverable under the conditions then prevailing. The truth is that, once the fictitious items are removed, the liabilities far exceed the assets. Doubtless everyone in eighteenth-century Bombay knew the true state of affairs but wished to conceal it in so far as possible. Hence, the books stand balanced not to the last rupee but to the last quarter of a “ree,” the four-hundredth part of a Bombay rupee.²⁷

When the accretions of decades are culled away, the Bombay books reveal the position in which the Company's governor was really placed. In spite of a brave show of “assets” worth three crores of rupees, he was actually carrying on the Company's commercial business with very limited resources. In fact, his official finances, quite apart from the accumulation of a Bombay bond debt of over two crores, were so tangled in 1783/84 that he often had to lend the Company money out of his own pocket.²⁸

²⁶ Bombay Gen. Journal 1790/91, final item.

²⁷ Bombay Gen. Journal 1790/91; total of assets, 4,24,62,433.2.53¼.

²⁸ Bombay Gen. Journal 1784/85, entry Jan. 31, 1785, 40,000 rupees borrowed of governor “to pay many pressing demands on govt.”

At this period, the Company was still sending out to Bombay three or four cargoes annually of woolens, lead, copper, iron, and steel, but it was more concerned in collecting the return cargoes of Malabar pepper, Mocha coffee, Surat piece goods, and the miscellaneous sundries such as cardamoms, cowries, and arangoes then in demand for the African trade. A typical "import" invoice is that of the *Lord Camden*, entered July 18, 1784: woolens £13,387, lead £517, copper £7,437, iron £481, steel £439, in all £22,262 or Bombay rupees 178,992. Such of the woolens and metals as could not be marketed in India were disposed of by the Company's agents in the Persian Gulf. Though the factory at Basra ran at a loss and justified its existence only as the key to the overland route for sending dispatches to India via Vienna, Constantinople, and Aleppo, it did not give the Bombay governor much cause for anxiety.²⁹ His affairs were far more complicated by the necessity of gathering export cargoes for the Company at Tellicherry, Anjengo, and Surat.

Tellicherry and Anjengo were trading factories of the old type maintained solely for the purchase of pepper. The Bombay government never operated at these stations in a political capacity in time of peace. Tellicherry may be described as the best example of a commercial settlement under the Bombay government, for its local finances were in no way affected by the business of transferring funds from Bengal to Bombay. Tellicherry was ruled by a Chief and Council, all of whom were "country" merchants in their private capacities. John Beaumont, the chief, and William Page, "first factor," constituted in their private capacities the firm of Beaumont & Page. It so happened in 1785/86 that the Bombay government was in serious straits for cash. The governor, seeing no way to ship silver to Tellicherry for the purchase of 3,000

²⁹ Fac. Rec., Persia 18, Basra Con., La Touche to Manesty, Nov. 6, 1784. This letter describes the method of marketing woolens in Persia to be paid for by the buyer's respondentia bond payable to the Bombay government after the sale of a cargo of coral and pearls shipped by the Persian or Arabian buyer to Bombay.

candies of pepper, availed himself of the services of Messrs. Scott, Tate & Adamson, one of the leading agency houses of Bombay. These gentlemen were only too happy to oblige. They would gladly furnish the pepper to the Honourable Company through Mr. David Scott's agents at Tellicherry, Messrs. Beaumont & Page. Consequently, we find Governor R. H. Boddam writing in his official capacity to John Beaumont, chief at Tellicherry, directing him to receive from Messrs. Scott's agents at Tellicherry "such quantities [of pepper] as may be tendered to you." A few months later, the governor dispatched the Company's snow *Intrepid* to Tellicherry to "convey thither a consignment of one lac of rupees which Messrs. Scott & Co. now send to their agent there for providing pepper."⁸⁰ Comment is superfluous. Tipu Sultan's embargo on pepper prevented the consummation of this particular bargain, but the proposed transaction most vividly portrays the higher Bombay civil servants in their dual capacities. On such a transaction, at least two commissions would be charged up to the Company in addition to the profits made possible by manipulating prices. Moreover, the captain of the Company's snow *Intrepid* probably received a perquisite for guarding a lakh of rupees in silver.

Under John Beaumont's rule lived a handful of civil and military servants who were seldom if ever paid in cash. They scraped a living as best they could in ways which we may only conjecture from their applications to go to Bombay to attend to their "private affairs." Threats of military coercion might force the Indian merchants of Tellicherry to supply the Company's factory with rice, but such threats could not compel them to buy bills on the Bombay government at their face value. On October 12, 1785, thirty junior servants who had been paid in the Company's "Transfers," as the bills issued by the chief at Tellicherry were called, complained bitterly. In a remonstrance to the Chief-in-Council, they said:

⁸⁰ Fac. Rec., Tellicherry 6, Con., Nov. 26, 1785; Feb. 15, 1786.

As the Honourable Company's credit is already at so low an ebb that the merchants of this place will not give more for their Transfers than twenty or twenty-five rupees for the hundred, and moreover, as you gentlemen have put so low a value on the Honourable Company's bills by refusing to accept them in payment for goods sold out of the public stores, we therefore request that any articles we may want to purchase from thence may be issued to us for Treasury Transfer at the current discount of Bombay.³¹

The Company at Tellicherry was therefore so bankrupt that it often could not even afford to accept the Company's own obligations when tendered for the payment of any account. Shipments of silver from Bombay made their appearance with the greatest irregularity and were usually earmarked for specific purposes. The accrual of "arrears" of all kinds was never cleared away. In 1786, the small garrison of sepoys became so restive that their commander advanced them silver and rice out of his own pocket.

Conditions such as these made a minor post under the Bombay government not the first but the last choice of all ambitious young writers and cadets. Many of those who were doomed to Bombay because their sponsors were junior members of the Court of Directors cursed the day of their decision to try their luck in India. In the late eighteenth century, discontent was rife from the bottom to the top of the Bombay service. John Beaumont, himself a chief with a quarter century of experience behind him, bemoaned the passing of an era in which the chief of a subordinate station could become a merchant prince. Beaumont had lived through the great plague of the early 1770's at Basra; he had been imprisoned in Persia; and had spent five bad seasons at Bushire. Knowing that Tellicherry chiefs had formerly "derived handsome advantages from trade," he hoped to close his career at Tellicherry. With an ailing wife, he struggled to cope with the problems created by the war and Tipu Sultan's embargo on pepper, cardamoms, and sandalwood. When his net income

³¹ Fac. Rec., Tellicherry 6, Con., Oct. 12, 1785; cf. Con., Nov. 7, 1785; and Aug. 18, 1783 in vol. 5.

sank to 6,000 rupees a year in 1785, he finally decided to resign if he were not granted leave to restore his health by spending the rainy seasons at Bombay. In his letter to the governor on this subject, he did not mince words:

I am then [if leave is denied] to request that I may be relieved from this Chiefship where I have met with nothing but loss and disappointment and where it cannot be expected that I should any longer ruin my small fortune in supporting the expense of entertaining all strangers that during the fair season resort here.³²

Retirement to England with the remnants of his fortune was not Beaumont's lot. His will was probated at Bombay on February 6, 1788. In it, he disposed of an estate worth at least £10,000, but we have no means of knowing whether that is a correct estimate of his wealth. The will itself is an interesting document for it shows how impossible it was for the Bombay European to live a life apart cut off from close association with other elements in Bombay society. The witnesses were an Englishman, a Portuguese, who may have been a Luso-Indian, and a Parsi. Slavery was still characteristic of Bombay life at this period. The slaves were brought from East Africa by Portuguese and Arab traders to be sold as domestic servants at Bombay. Beaumont accordingly provided an annuity of 180 Bombay rupees for Mrs. Beaumont's slave Clara and a lump sum of 4,000 rupees to provide for any child which Clara might have had by him. Beaumont provided handsomely for his wife, formerly the widow of Major Collins of the Madras military establishment, by bequeathing her £4,500 and the residue of his estate, but he was at least equally concerned for his other family, the three children of Maria Seledonia his "housekeeper." Maria, who was in all probability a Luso-Indian, had long since taken the three children to England where they were to be reared and educated in the home of Beaumont's aunt, Martha Stubbs. The allowance for their maintenance was fixed at £3,000. In a

³² *Ibid.*, Beaumont to governor-in-council, Mar. 3, 1786.

codicil, Beaumont decreed that the eldest boy should receive 4,000 rupees more on coming out to India in the Company's service. Beaumont gave freedom and small bequests to his two slave-boys, 200 rupees each to his Indian and Parsi servants, and 1,000 rupees to Sunkersett Baboolset who was to supply "friendly aid in settlement of my accounts at the Marine stores office."³³

The conditions which John Beaumont met at Tellicherry were not duplicated at Surat. The Surat chiefship could still be made a lucrative post by an able man. As a buyer or seller of goods on his own account, the Surat chief confronted difficulties similar to those at Tellicherry, but he had other strings to his bow. At Surat, dual government existed. The Company was keeper of the nawab's castle and responsible for order in the city, but the nawab had his own administration and his own officials, some of whom were Europeans. There were two customhouses, the Company's and the nawab's. The Company's chief was able to draw perquisites from the large "country" trade entering the port. Beyond that, his services were essential in the business of transferring funds from Bengal to Bombay, a business which must have caused the payment of many a perquisite or present. Surat at this period had a population of 300,000.³⁴ The wealth of the most prominent Surat merchants was still great. The East India Company in its commercial capacity stood a suppliant at their gates. In Surat, the Company appears as a bankrupt client, not of European agency houses, but of Indian merchants.

The Company's own commercial business was the smallest part of the Surat chief's concern. On the Company's behalf, the chief was selling an insignificant quantity of metals and buying a small investment of piece goods for Europe and raw cotton for China. The piece-goods contracts were farmed out to one or two Indian contractors with whom the chief had

³³ Bombay Wills and Administrations 1783-1792, John Beaumont, will, Feb. 6, 1788.

³⁴ A. N., AJ¹ 352, "Mémoire sur Surate," prepared for the French E. I. Co. in 1787.

little or no direct contact. Since the Company treasury seldom had cash available for advancement to piece-goods contractors, these men received their advances from *shroffs* who took commissions on loans made to the Company. Whenever the rains failed, the difficulties of collection were sure to be insuperable. In 1791, after putting out most of his advances, one of the contractors reported:

The failure of the rains has caused such misery among the poorer people that they have not been able to struggle against it — and thousands have perished from hunger and want . . . Of the weavers upon a moderate computation, from ten to twelve die daily and for every one of these or even any of their children or numerous relations some of whom are dying every hour of the day I lose several days work as their respective religions require for the performance of their funeral ceremonies.³⁵

The chief arranged for the Company's consignments of raw cotton in somewhat the same manner. These consignments were purposely kept small, seldom over 500 tons annually, for everyone knew that the Bombay "country" traders by agreement with the Bombay civil servants and the captains of the Company's ships wished to monopolize the cotton trade. It was not uncommon for a Company ship to leave Bombay jammed to the gunwales with 1,600 bales of Surat cotton, of which at least 1,000 were carried on private account in violation of the regulations.³⁶ Sometimes the Bombay finances were so tangled that the Surat chief, in his official capacity, had nothing but copper to offer the Indian dealers who brought their cotton loose to the "green" in front of the castle gate. In such a case, the Company could hardly expect the dealers to refuse the offers of merchants who brought silver to the market place.³⁷

Although the Surat chief perfunctorily collected the "invest-

³⁵ Fac. Rec., Surat 69, Con., Oct. 14, 1791, letter of Mayaram Atmaram.

³⁶ H. M. 374, extract of Court's commercial letter to Bombay of Dec. 2, 1792 re tonnage of cotton.

³⁷ Bombay Gov. Let. Rec'd 1786, letter from Surat of Feb. 23, 1786. For an example of a cotton contract, see Fac. Rec., Surat 68, Con., Jan. 28, 1790.

ment" of cotton and piece goods, his heart was elsewhere. He always had his eye on two more lucrative sources of private profit. His ship-broking business and his bargains with *shroffs* regarding transfers from Bengal occupied most of his attention. The Company's chief at Surat had been a ship-broker long before the Bombay government's finances necessitated huge transfers from Bengal. Through him, Indian merchants anxious to use the facilities provided by European "country" captains arranged their shipments. In modern parlance, he acted as a middleman between the European owners of ships and Indian or European shippers of goods. He acquired his profit by guaranteeing the shipowner a stated freight and pocketing the difference between that freight and what the shippers really paid him. From one point of view, the chief was an insurer, for his guarantee protected the shipowner from loss. He assumed the risk of being able to supply enough goods to fill the cargo space for which he had contracted.³⁸ Because of his interest in this business, the chief eagerly supported the Bengal government's plans to reduce customs duties at all British settlements. He bent his energies toward strengthening British control of the trade of Surat by staffing the nawab's customs service with Europeans and transferring as much business as possible from the nawab's to the Company's customhouse. The nawab did not object to the increase of British control but to the disturbance of established forms of procedure. In 1786, the nawab complained to the chief and council in a *ruka*:

There is not any difference between the Honourable Company and me and in fact this place [the nawab's custom house] and that [the Company's custom house] are theirs, but it is not proper that business should go on otherwise than has been usual. It behooves you gentlemen to consider my situation; all my business has been and is carried on by favor of the English.³⁹

³⁸ N. L. S., Melville MSS 1072, f. 177, memorial to Court in the case of Daniel Seton, May 24, 1802. Seton's attorneys described the profits of the Surat chiefs before the introduction of reforms in the 1790's.

³⁹ Fac. Rec., Surat 68, Con., Aug. 2, 1790.

Within four years, the chief had been so successful in increasing business at the Company's customhouse that the Gaekwar of Baroda complained of the reduction of his share of the fees charged for coining bullion imported through the nawab's customhouse. The Gaekwar believed that Spanish dollars and silver bullion worth a lakh of rupees were pouring through the Company's Surat customhouse every year.⁴⁰

The chief had a double motive for advocating lower duties at the customhouses. Freer trade would increase the prospects of profit in the other important branch of the chief's private business. The fewer charges the leading merchants had to pay, the more amenable they would be toward assisting the chief to transfer funds from Bengal to Bombay. After the American War, this business of arranging transfers from Bengal had become the most important official function of the Surat chief. The Bombay governor could not meet his current military and civil expenditure without a subsidy of at least 35 lakhs of Bengal current rupees, a sum far too large to be financed by "country" traders.⁴¹ The necessity of transferring approximately ten lakhs of it overland tended to draw north-western India and the Gangetic plain closer together economically. The difficulties which the Surat chief encountered in arranging these transactions show how dependent the Bombay government was on Indian confidence in the Company's credit. The combined efforts of the Company's resident at Benares, the accountant at Lucknow, and the chief at Surat were needed to make the business run smoothly. If the accountant at Lucknow gave five lakhs in cash or promises to a creditor of a *shroff* at Surat in return for a bill on that *shroff*, the chief at Surat often found it impossible to collect the bill promptly. The *shroff* would put him off with small installments. If, on

⁴⁰ *Ibid.*, May 13, 1790.

⁴¹ Bombay Gov. Let. Rec'd 1786, Sir John Macpherson to Bombay, Dec. 27, 1785. This letter lists remittances to Bombay as follows: bills on Bengal drawn in Bombay 6 lakhs, bills on Bengal drawn in Surat 9 lakhs, bills on Bengal drawn in Lucknow 5 lakhs, bills on Bengal drawn in Bengal 2 lakhs; goods and specie 1½ lakhs; *shroffs*, bills drawn in Bengal 5 lakhs.

the other hand, the chief went to the houses of Manordass Dwarkadass or Gopaul Doss and asked for money in return for bills on Bengal, the reception he received depended upon the Bengal government's promptness in meeting its obligations. In May 1786, the chief, faced with a demand from the governor at Bombay for three and one-third lakhs of rupees, repaired to the *shroffs* with his bills on Bengal all ready for delivery, but returned empty handed. He then reported to the governor of Bombay:

[The *shroffs*] obstinately persist in refusing to take bills for a single rupee untill they receive advice from their correspondents that every bill drawn from this settlement has been paid . . . The Chief used every argument in his power to prevail upon them to alter this resolution . . . We beg leave to offer it, as our opinion that we shall not be able on any exigence whatever to raise a rupee for our bills on Bengal a circumstance too alarming in the total want of every other resource not to merit your honor's most serious consideration.⁴²

The chief promised to importune the *shroffs* daily, and within a month succeeded in getting a lakh out of them. This branch of the chief's business was not always the pleasantest, but it had its part in making the Surat chiefship one of the few lucrative posts under the Bombay government.

One of the best descriptions of European life in Surat at this time may be found in the report of the French admiral Kergariou-Loemaria who cruised off Surat in 1786/87. He attributed English control of "country" trade along the coast to a system of coercion whereby the English gave secret information to Maratha pirates to enable them to capture vessels not flying the English flag. The captured vessel would then be bought by an English "country" trader. On this point, Kergariou-Loemaria had this to say:

It is true that individuals ["country" traders] carry on an immense trade along these coasts; the chelinques [small "country" boats] in order to escape pillage by the Marathas pay them [the

⁴² *Ibid.*, letter from Surat May 8, 1786. In April the *shroffs* had refused to receive Bengal 8 per cent certificates in lieu of bills of exchange.

English] four or five hundred rupees per year for the right to hoist their flag; between Cochin and Surat, they pay a tax of from 1 to 2½ rupees per candy of cargo for convoy service; the Portuguese frigates exact the same fee; one sees only the English flag throughout the length of this coast.

Of the behavior of the Company's servants at Surat, Kergariou-Loemaria wrote:

It is certain that the servants of their [the English] Company rob it so efficiently that they are very rich while it is so encumbered with debt that it has paid no one since the war and has generously piled interest on interest year by year; their Company's paper is so discredited that one can buy it at 30% of its face value. . . I am sure that those among the English who possess silver conceal their wealth because the Company would keep at them until they deposited their silver in its Treasury; they deal with each other only in terms of Company's paper, even when gambling at cards, and they will not pay foreigners who sell them cargoes in any other way; they thus force the foreigners in that manner to buy of them — that is at second hand — India goods at prices 20 or 25% higher than would otherwise be the case; while they are making magnificent presents to native princes with one hand, they are borrowing with the other huge sums from the princes' subjects, and the proof of their distress and their need of cash is that they are making all kinds of propositions to [the subjects of] foreign nations.⁴³

With such conditions as these in mind, we are better able to understand the position of the Company's governor in Bombay itself. In his official capacity, he was little more than a puppet in the hands of the great "country" traders. This would probably have been true even if there had been no huge bond debt incurred at Bombay during the American War. No one expected the Bombay government to retire a single one of its 9 per cent bonds which had been originally issued up to 212 lakhs of rupees.⁴⁴ Some of this debt was

⁴³ A. N. Marine, B⁴ 276, Kergariou-Loemaria to Castries, Pondichéry, June 1, 1787.

⁴⁴ H. M. 371, auditor's calculation of Indian debts. Bombay debt as of Nov. 1, 1784; 2,12,11,158 B Rs. See Corr. Mem. 29, statement of Bombay debt as of Apr. 30, 1785. Six months later, the Bombay debt was calculated at 220 lakhs of B Rs., held as follows: by Indians and Europeans not in the Co.'s service

repudiated by declaring claims for army "arrears" fraudulent. Seventeen lakhs more of it was transferred to London by the few Europeans who were willing to exchange their 9 per cent Bombay bonds for 5 per cent sterling bonds. In 1788, a balance of 129 lakhs of it was cleared from the Bombay books by being transferred into Bengal bonds.⁴⁵ Quite apart from this debt, the Bombay governor could not move hand or foot without the assistance of the leading merchants of the day, David Scott, Alexander Adamson, James Tate, and Stephen Iveson. The Company's Bombay books show that the government continually engaged in business transactions with men of this type and also with its own servants in their private capacities.⁴⁶ The Bombay official and unofficial European community formed a far closer corporation than was the case at Madras and they clung much more tenaciously to the system in which they had been brought up.

The private affairs of James Sibbald, one of the most prominent of the Company's Bombay civil servants, exhibit the complexities of Bombay finances at their worst. Sibbald had made a modest fortune in "country" trading in the palmy days of the 1770's and had invested part of it in the Company's Bombay bonds. Since he continued his activities as a "country" trader after the war, he speedily became both a creditor and a debtor with respect to the Company. At one time in 1783, the Company owed him 300,000 rupees on bonds, and he owed the Company 80,000 rupees on bills of exchange drawn on him from Bengal in favor of the governor-in-council

56½ lakhs; by civil servants 47; by army officers 46; by officers in Bombay Marine 16; by surgeons 9½; by King's and Bengal officers 15; by Indians at Surat, Tellicherry, and Anjengo 30.

⁴⁵ Fac. Rec., Persia 18, Bombay letter to Court sent overland, July 16, 1788; state of the Bombay debt Apr. 30, 1788 — 1,46,70,394 B Rs. (including transferred bonds). Balance transferred to Bengal. See Abs. of Disp. to Bengal, Aug. 20, 1788.

⁴⁶ Bombay Gen. Journals 1784/85-1787/88, sundry items. For example, on Dec. 31, 1787, the Company repaid David Scott & Co. 74,000 rupees which Scott had advanced toward the government's local payroll. During the next month the Company repaid Scott for similar advances, payment being made in goods not in silver.

at Bombay. Naturally, he tendered 80,000 rupees worth of his bonds and asked for silver so that he could pay it back into the treasury in discharge of the bill drawn in Bengal. The governor was not to be balked by this, and stoutly refused to accept the Company's own bonds in payment of a debt to it. After some argument, Sibbald agreed to pay the 80,000 rupees in pepper deliverable at Tellicherry. In pressing his bond claims later before the Court of Directors, Sibbald declared that the Company could not have shipped a cargo of pepper to Europe in 1784/85 if he had not furnished the pepper. He then pleaded for sympathy in a letter to the Court:

For years the whole of my fortune [was] locked up in the Bombay Treasury and at a time when the greatest advantages were made of the money both in India and in this country, and this fortune not acquired by emoluments from the Company's service but by an extensive line of commerce in a long series of years, and after all this, as you well know, I have received one shilling and eleven pence for my rupee.⁴⁷

In this connection, it should be noted that Sibbald in his private capacity was a partner in Sibbald, Lockyer & Forbes, a firm which had no scruples about doing business for the Imperial East India Company of Trieste. They insured the *Count Proli* which took part in an ill-fated attempt to trade in ivory and slaves off Delagoa Bay in 1782.⁴⁸

Sibbald's case may be taken as a typical example of the way in which the Bombay government's commercial and political activities were closely interwoven with the private affairs of a small group of leading Bombay merchants and civil servants. This group was, relative to its size, far more powerful than the similar group at Madras. It might almost be said that the Bombay governor, in his official capacity, was a nonentity, without power or prestige. The real rulers of Bombay in the second half of the eighteenth century were Stephen Iveson, David Scott, and Alexander Adamson, who succeeded

⁴⁷ Aud. Ref. 5, James Sibbald to the Co.'s Sec'y, Sept. 13, 1790.

⁴⁸ *Ibid.*, account between James Sibbald and John Forbes.

each other in popular estimation as the wealthiest and most influential citizens. David Scott and Stephen Iveson themselves represented the new order and the old in Bombay European society.

David Scott, who began life in India as "free merchant" in 1763, gradually built up his own mercantile business in Bombay.⁴⁹ In the American War, he was so powerful that Admiral Sir Edward Hughes complained that Scott assisted the captain of an East Indiaman to "entice away" and carry off to sea more than fifty of the best seamen in the King's navy.⁵⁰ Armed with an ample fortune, Scott returned to England in 1786, managed the London branch of his mercantile house, became a director of the East India Company, and a power in politics both at Leadenhall Street and in Whitehall because of Dundas' interest in him. Investigations of illicit trading in the late 1790's strongly suggest that Scott had been deeply involved in such activities for many years.⁵¹

In contrast to David Scott, Stephen Iveson apparently had no ambitions to become a "nabob" at home. A person of some consequence before he came to India, he was content to identify himself completely with the people among whom he had chosen to spend his life. His will shows us a Bombay merchant prince of the mid-eighteenth century. His principal residence was "Randal Lodge," Malabar Hill, but he also owned two houses and one "lower-room" house in town. The latter were not investments but were used in the prosecution of his affairs which required a staff of servants and "writers." He was by origin a Yorkshireman, for he left his share of the family property at Blackbank near Leeds to his brother. The size of his estate may only be guessed from the specific bequests which amounted to £30,000 in sterling in addition to 60,000

⁴⁹ C. H. Philips, *The East India Company 1784-1834* (Manchester, 1940), p. 72.

⁵⁰ Misc. 27, Co.'s Sec'y to Sec'y of the Admiralty, Aug. 26, 1784.

⁵¹ Printed *Illicit Trade Correspondence* (London, 1799), now in India Office Library, originally prepared in connection with case against David Scott. The originals used in preparing this printed collection are in Marine Misc. 49. On this topic, cf. C. H. Philips, *op. cit.*, p. 100.

Bombay rupees. The total can hardly have exceeded £75,000 for, in one clause, he expressed his anxiety lest the yield be too small to pay the legacies and yet leave enough residue for his brother, Lancelot Iveson. In the sterling legacies, he took care of his relatives and friends in England. There was only one bequest to charity, £500 to the Leeds Infirmary. In the rupee legacies, he remembered all those who served him in Bombay. The list may be summarized as follows:

To Elizabeth de Rosario, housekeeper ("commonly called Betsey"), a house in town with its slaves, 1,000 rupees outright, a life income from a capital of 10,000 rupees.

To Mrs. Marian, distressed housekeeper of William Taylor, a life income from a capital of 2,000 rupees.

To Richard Iveson, mariner, Bombay, 20,000 rupees.

To Henry Iveson, one slave boy Antonio, and a small Arab horse "lately given me by Mr. Griffith" (Chief at Surat).

To Manuel (slave), freedom, 1,000 rupees outright, 5 rupees per month for his mother.

To the coachman, 500 rupees.

To the gardener, 300 rupees.

To the head servant, 300 rupees.

To the Portuguese cook, 500 rupees.

To three slave boys, freedom, 300, 500, and 100 rupees respectively.

To Mary, nurse, taking his niece to England, 2,000 rupees.

To servant Flora, 4,000 rupees.

To Clara (formerly slave girl of Mrs. Pemble), 1,000 rupees.

To Edward Sedgwick, "now in India, son of my old friend John Sedgwick of Leeds," 2,000 rupees.

To Purshotum Collianjee, 1,000 rupees.

To Manuel Murzello, "my Portuguese writer," 500 rupees.

To all the servants, 3 months' wages each.⁵²

Stephen Iveson, David Scott, and their friends were the leading members of the very small nonofficial European com-

⁵² Bombay Wills and Administrations 1783-1792; Stephen Iveson, will, Dec. 10, 1787.

munity at Bombay, which resembled no other in India because it was composed almost entirely of "country" captains. Persons like John Butler, locally known as "Tobit" Butler, who made a fortune from keeping a punch-house in "Pollow" Green, were the exception rather than the rule, and even "Tobit" had begun his Indian career as an officer on the "country" "grab" *Service*.⁵³ The European individuals living in Bombay in the early 1780's who were not in some way pursuing a nautical career could be counted on the fingers of both hands. The character of the Bombay nonofficial European community did not markedly change until the French Revolution. Its growth earlier in the century is an accurate index of the slow progress and development of British "country" trade in western India. The placid European life of the first half of the century is reflected in the surviving lists of free merchants and mariners at Bombay. The list for 1749/50 which recorded the names of 5 merchants, 16 "sea-faring men," 12 "country" ships, 16 married women, 3 widows, 4 boys, and 5 girls is typical of conditions which existed from 1720 to 1750. There ensued a spurt of activity in the 1760's which brought the number of "country" ships up to 38, but the number quickly sank again to 15 and remained there until the period of the American War. At the close of that war, the Bombay non-official European group comprised no more than forty souls. The real increase came with the vast strides of British "country" trade in the 1780's. The list for 1792 gave the names of 57 "country" ships and 9 snows officered by 189 European seamen. If we add to these the seamen of the expanding Bombay Marine and the few hundred civil and military servants stationed in and near Bombay in 1790, we can gain an idea of how quickly and speedily the Bombay European life which we have here described was losing the characteristics which made it unique and which call to mind an earlier era in the Company's history.⁵⁴

⁵³ Aud. Ref. 4, papers concerning Butler's widow's claims.

⁵⁴ Eur. Inhabitants 5, Bombay lists, Jan. 4, 1750, Feb. 10, 1784, Nov. 30, 1792.

CHAPTER VII

TRADE AND POLITICS IN BENGAL

TO TURN from Bombay or Madras to Bengal is to move from simplicity to complexity but beneath the complexities the essential outlines of the picture remain the same. The only striking difference is that, in the land revenue of a vast region, the Bengal government possessed a fund which enabled that government to appear more prosperous than it actually was. If the Bengal government had been unencumbered with debt, it would still have been true in the 1780's that the governor-general could meet his current civil and military expenditure, send the needed subsidies to the Company's other Indian settlements, and yet have a substantial surplus to invest in goods for shipment to Europe.¹ Because the current annual revenue exceeded the current annual expenditure, it was possible for many a Bengal European to argue with some degree of plausibility that drastic reform was all that was needed. Once corruption was eliminated from the administration of the Bengal Army and Civil Service, the presumption was that debt could be paid off and goods purchased out of a clear surplus. Views of this kind were sedulously disseminated by everyone who owned a bond issued by the East India Company and they played their part, as we shall see, in bringing about the steps that were taken in London to restore the Company's credit at home. Such views were, however, strictly belied by the facts.

The governor-general in Bengal, despite his great power and prestige, was not in a greatly different position from his subordinates in Madras or Bombay. He did not, like them, live virtually from hand to mouth, but he was the head of a government overwhelmed with debt, and he could not carry

¹ For example, the official figures for the year 1787/88, expressed in sterling, reckoned this surplus at £1,576,119. See *Parl. Hist.* XXVIII, 189.

on from day to day without the help of the great agency houses in Calcutta. There is not a shred of evidence to prove that goods for export to Europe during the decade 1783-1793 were ever really bought by the Company with a true surplus of revenue over expenditure. At times, the government had expressly to authorize the sale of bills of exchange on London in order to get in the "investment" of goods. Beyond that, the debt structure of the Bengal government became not less, but more, complex as the years went by. To bond issues were added many issues of treasury orders or certificates. Confidence was maintained primarily because of the integrity and industry of Lord Cornwallis. His vigorous and effective attacks on corruption and inefficiency in the services gave assurance that the government would be able to carry on and meet its interest charges, a state of affairs which gave satisfaction to every European merchant or Indian "banian" who had invested in the Company's securities.²

Lord Cornwallis' merits as an Indian administrator have long since received their due meed of praise. We are not here specifically concerned either with the revenue history of Bengal and the rights and wrongs of the "permanent settlement" or with the administrative reforms which mark the first step on the long road toward Indian "services" recruited by competitive examination.³ We wish rather to examine the changes which took place in Bengal European life during the years of Corn-

² Philip Francis had remarked as early as 1781, "It is my most serious opinion that you will never again have an investment purchased with any savings from the revenue of Bengal." See pamphlet entitled *Letters to Henry Dundas on his Inconsistency* (London, 1792). Cornwallis believed in 1790 that Indians were deeply involved in investment in the Company's bonds, and Macpherson is said to have known a "banian" who owned £500,000 of the Company's paper, but the precise amount of Indian investment in the Company's paper in the 1780's can probably not be ascertained. There is little doubt that, in Bengal, Indian investors who could not be described as "banians" were very few. See H. M. 208, "A Concentrated View of the Affairs of the East India Company," MS by Francis Russell; cf. H. M. 435, R. Johnson to Dundas Jan. 23, 1794, "None but the Calcutta banians have sufficient confidence in the Company's bonds and certificates to deal in them."

³ On these subjects see especially A. Aspinall, *Cornwallis in Bengal* (Manchester, 1931), *passim*.

wallis' governor-generalship. The transition from Hastings to Cornwallis is a relatively sharp one. It might almost be described as a shift from unregulated to regulated imperialism. In the last years of Hastings we watch Europeans scramble to get their wealth home in any way they can. In the last years of Cornwallis there is a similar scramble for wealth, but it is more orderly. The rules of the game are better defined and understood and, for reasons already familiar to us, the "channels of remittance" have become more exclusively British.

A visitor to Bengal in the year 1783 would have found many members of the British community afflicted with something very like panic. The chief topic of conversation among the leading members of Hastings' entourage was the ever-present question of whether to flee or not to flee. Everyone knew the Company had issued an unheard-of amount of bonds and bills of exchange.⁴ Whether a European's fortune were small or great, he tried to have his eggs in as many baskets as possible. If he were unusually cautious, he favored particularly the purchase of diamonds as the only safe way of realizing one's fortune in Europe.

Joseph Fowke, apparently taught caution by gambling losses, was one of those who believed in diamonds and in almost nothing else. In letters to his son, Francis Fowke, he has left us a vivid account of the state of mind of many leading members of the Calcutta European community while the struggle over Fox's and Pitt's India bills was being fought out at Westminster. That state of mind is nowhere better revealed than in an encounter between Joseph Fowke and Sir John Day, one of the chief law officers in Bengal, who was "not quite easy about his Company's bills." Writing to his son on July 7, 1784, Fowke thus described what passed between himself and Sir John:

[Sir John Day]: I'll be d——d if they shall have any more of my money. I'll trust Dutch, Dane, and Devil first.

⁴ The Company's estimate of unaccepted bills of exchange, as of Sept. 1784, was £3,384,611. See H. M. 371, memoranda on debts, 1785.

- [Joseph Fowke]: Ah, Sir John, you see what uneasiness follows an intemperate desire for profit. I believe indeed the bills will never be paid.
- [Sir John Day]: Not paid!
- [Joseph Fowke]: Don't start. I mean they will be funded.
- [Sir John Day]: Z—nds, why that is the same thing!
- [Joseph Fowke]: A little different because if the acceptance is unconditional which was Mr. Pitt's plan, they may be kept unfunded until the national interest is lowered.
- [Sir John Day]: The Devil, why then, the Company break faith with the bill-holders.
- [Joseph Fowke]: Very true, but what can you expect from poor people who have lost their all.⁵

Although Fowke then spoke of Sir John as "in great tribulation and posting over the water in great haste," Sir John did not sail until October 1785. He and his lady then took passage with Captain Mercer whose ship made illicit voyages to Ostend and Copenhagen.

Joseph Fowke rejoiced at Sir John Day's discomfiture because he himself had sometime since placed nearly all his own hopes on diamonds. Opium deals, China bills of exchange, and an occasional bill on a foreign East India company formed Fowke's second line of defense, but his energies were chiefly expended in buying diamonds. In this business he pitted himself against other leading spirits in Hastings' circle. Diamond buying in 1783, 1784, and 1785 was no game for small fry. The mines, as far as one can tell, were not controlled by Europeans. At Benares, the *gumashtas* of the leading dealers vied with each other in pitting European buyers against each other. As early as April 1784, Fowke spoke of "the diabolical league that has been formed to destroy me in my traffic" and wished to employ "a sensible *Dewan*" who could secretly inform him "exactly of the nature of Scott's and Barnet's engagements." After haggling with "Rajahram Doobah," the

⁵ Eur. MSS E 6, item 23, Fowke to Francis Fowke, July 7, 1784; see also item 82, letter of Oct. 24, 1785.

gumashta of "Harrypersand Doobay," Fowke finally "struck" in September 1784 for a parcel of diamonds worth 30,000 *sicca* rupees. He thereupon wrote to his son:

It is now perfectly clear to me that I am made a tool of by Rajahram Dooyay [*sic*] who calls himself the gomastah of Nooroohum Doobay but at the same time owns that he sells on commission for all the diamond houses at Buhnaras. This fellow in conjunction with the banians of sundry gentlemen remitters makes the sales to me a standard for the goods parted with elsewhere by which means they divide 5 per cent between them and the principal is most probably wronged of more into the bargain. This is an evil against which there is no remedy but a subtle banian on your part that one rogue may be played off against another. Perhaps when a change of government shall take place, I may by my own personal interest find out a proper person to oppose to the scoundrels who have bubbled me. . . In the meantime however, you might inform the principal shroffs who are concerned in the diamond business that besides playing a very deep and hazardous game by their gomastahs running the whole town over and dealing sometimes with knaves and sharpers, they are likewise the dupes of their own servants who, it is more likely, wrong them in the sales . . . You may further assure them from me that, if they go on in their present course, they will blow up the diamond trade in Europe for many years to come.⁶

A year later, Joseph Fowke was still struggling against similar difficulties, but he had obviously managed to remit substantial sums. From his letters, it seems clear that diamond remittances from India gave business to London insurers. The practice was to arrange for insurance prior to purchase, and then spread the risks over as many Company ships as possible. Fowke never spoke of trusting his diamonds on a foreign ship. He used the facilities provided by the Company's captains who received $\frac{1}{4}$ per cent of the 5 per cent duty charged by the Company on diamonds. It is highly improbable that large amounts of diamonds were exported from India in any other way. Until Hastings left India, the bulses of diamonds were marked by the shippers with their private marks, cleared by

⁶ *Ibid.*, item 29, J. Fowke to F. Fowke, Sept. 21, 1784; item 10, Apr. 14, 1784.

their London agents, and ultimately sold in the Amsterdam market. The pages of the Company's London books which listed the payments of duty were thus filled with cryptic signs, and some not so cryptic, for Hastings and the Fowkes at any rate had no hesitation in marking their diamonds with their own initials.⁷

Warren Hastings is reported to have sent home diamonds invoiced at 578,786 *sicca* rupees or roughly £60,000 between April 1772 and February 1785.⁸ There is no way of discovering whether he actually realized £60,000 on them or not. Although diamonds were a safe remittance, there was no guarantee that the remitter would gain a large profit over what he had paid for them in India. The market was speculative. It is of some significance that two-thirds of Hastings' diamonds went home before May 1775. Diamonds were said to have sold at a loss in the mid 1770's. During the American War, they picked up, for Fowke bought a bulse in 1782 for 6,175 current rupees (£617.10.7 at 2s. the rupee) and sold it in London for £1,007.8.2.⁹ Nevertheless, Fowke worried continually about the state of the market in 1784/85.

The housecleaning in Leadenhall Street consequent upon Pitt's India Act did not leave the diamond trade untouched. The cryptic signs indicating individual shipments gradually gave way to entries in the names of great London and Amsterdam dealers, such as Montefiori, Modigliani, Salamons, Gompertz, and de Aquilar. These dealers, many of whom had become powerful as owners of India stock, persuaded or forced the directors to regulate the trade. One Lyon Prager, a son-in-law of a Mr. Salamons, who was no doubt a dealer in India stock, was sent to Benares in March 1786 by order of the Court of Directors. The Court then decreed that "all persons that now are or may be licensed to trade in diamonds must

⁷ Home Gen. Journal, 1785/89, entries *re* duty on diamonds.

⁸ H. M. 371, "An account of Remittances made by Mr. Hastings through the Company's cash since April 1772."

⁹ Eur. MSS, E 6, item 59, J. Hafner to F. Fowke, May 21, 1785.

enter into the like obligations as Messieurs Salamons and Prager.”¹⁰ The Court was proposing in fact a licensing system which would strictly control the trade, saving only the rights of their covenanted servants and of persons who were already engaged in the trade. Under the eye of Mr. Prager and his agents, purchases were to be adjusted to the state of the market in Europe. The Company’s agreement with Mr. Prager designed to “prevent improper interference in the trade” was to run for seven years. It must not be supposed that huge sums were remitted to Europe in diamond shipments either in Joseph Fowke’s day or later. During the ten trading seasons 1783/84–1792/93, the Company received in payment of the 5 per cent duty on diamonds £22,769.¹¹ The invoiced value of diamonds shipped on the Company’s vessels was therefore approximately £455,000.

In his correspondence, Joseph Fowke gave much attention to the uneasiness which prevailed among his friends and competitors. Men who had made their fortunes out of collusive contracts in salt, saltpeter, opium, or piece goods during the Hastings regime were represented as rushing about arranging opium shipments to China or purchases of foreign cargoes or bills of exchange in an effort to cover their tracks. Fox struck them with such terror that Fowke referred to Hastings in June 1784 as “doomed to spend the remainder of his days in a foreign country” and added, “There will be no rest for the sole of his foot.”¹² When the news of Pitt’s bill arrived, excitement and fright among Europeans were little if at all allayed. Fowke then wrote:

[Mr. Pitt’s] Board of Control is nothing more or less than a Court of Inquisition and Cato himself might be entangled by it. No man in India possessed of a fortune will return to England whilst the act continues in force. America and Holland will be enriched with Indian colonies. All that is left for us is to err as little as possible and

¹⁰ Abs. of Disp. to Bengal, 2, gen. letter of Mar. 8, 1786.

¹¹ This figure is arrived at by a careful tabulation of entries *re* the duty in the Home General Journals and Ledgers covering these years.

¹² Eur. MSS E 6, item 17, J. Fowke to F. Fowke, June 18, 1784.

to have the Acts of Parliament continually before us. My opinion however of Pitt's Bill is that it will counteract itself from its very uncommon severity. In the mean time, it has spread an universal terror here. Sullivan and his wife embarked on the *Valentine* at two days notice. Many others are making preparations to go, among whom are some very upright men and good servants of the Company.¹³

In the midst of this turmoil, braver spirits among the opium dealers such as William Young, William Paxton, Thomas Graham, and John Benn attempted to carry on as usual though they realized the days of huge profits were over. In 1783, William Markham had gleefully written Benn from Patna concerning their joint opium deals, "I told you, Benn, we should turn up trumps at last; is it not glorious news?" and Stephen Sullivan wrote that if the truth were known about the opium contract under Mackenzie "it would have raised such a flame [in England] as would not easily have been extinguished."¹⁴ In 1785, operations were on a more modest scale. Fowke took a share in a smuggling venture to the Eastern Isles managed by Captain Woolmore of the country-ship *Neckar*. The participants were to receive their profits in London through a private arrangement with Lane, Lance & Fitzhugh of Canton who owned "an interest" in the *Neckar*. During the early months of 1785, Fowke was so worried about his son's engaging in trade while serving the government at Benares that he repeatedly pleaded with his son to desist from trading and to be careful never to commit himself in any way to Mr. Hastings. The arrival in the autumn of the *Dutton* with the Company's plans for economy in all the services increased the elder Fowke's pessimism. "I expect," he then prophesied, "to see men and women that have been well brought up begging in the streets of Calcutta or living in straw houses."¹⁵

¹³ *Ibid.*, item 39, Jan. 12, 1785.

¹⁴ Eur. MSS, E 9, item 58, Wm. Markham to John Benn, Apr. 28, 1783; F 3, item 84, Stephen Sullivan to J. Benn, May 17, 1783.

¹⁵ Eur. MSS E 6, item 74, J. Fowke to F. Fowke, Sept. 29, 1785; cf. D 12, item 94, Paxton, Cockerell & DeLisle to J. Fowke, May 16, 1785; item 92, Cockerell to Benn, Apr. 30, 1785.

Without the private account books of many of Fowke's friends, we cannot know how this group really fared in escaping to Europe with their fortunes. When Fowke writes "Major Metcalfe stays behind another year to wind up his concerns, holding himself in readiness to cut and run,"¹⁶ we may imagine that gentleman engaged in the task of realizing his Indian assets and remitting them to Europe through as many safe "channels" as possible. In his case, we know he bought the Dutch company's bills of exchange, but we know very little else.¹⁷ We have, however, one set of the private account books of a Bengal European. These belonged to the executors of Robert Palk who died May 20, 1783 aboard a ship bound for England. Palk's executors were engaged in transferring his estate during the ensuing three years, and their operations were no doubt typical of many then being carried on during the "exodus" occasioned by Pitt's Act. The estate presents two interesting features. On the one hand, we have evidence of the many irons which a leading Company servant had on the fire during the Hastings era. On the other, the entries of remittances show how the executors coped with the problem of transferring to Europe assets valued at 621,314 current rupees.¹⁸

The pages of Palk's books which list doubtful debts written off by his executors as worth one current rupee indicate the number of his enterprises which proved failures. Because of his sudden recall from Casimbazar in 1768, he lost 17,624 rupees due him from *gumashtas* there. In the 1770's, 50,000 rupees went up in smoke on ventures undertaken with "Mr. Harris in the Beerboom country," with Messrs. "Lane, Hurst, Droz and Law" at Patna, and with George Vansittart, also at Patna. In 1781, Palk tried a "country" trading venture to Madras in silk and silk piece goods, but lost 44,126 rupees on his account with the agency house of Pelling & DeFries.

¹⁶ *Ibid.*, item 78, J. Fowke to F. Fowke, Oct. 16, 1785.

¹⁷ A. R. O. B., Bengale 1786, II, Titsingh to the Seventeen, secret letter Dec. 10, 1785.

¹⁸ B. M., Add. MSS 34,685.

He also put 64,634 rupees into a cargo which George Smith sent to China on the Portuguese ship *Nostra Senhora de Carmo*. As this was a consignment on respondentia, he lost it all and could not recover from George Smith. These were of course only the enterprises which were not wound up when Palk sailed for home. Palk's successful ventures would naturally not appear on his executors' books.

In the course of the three years covered by the surviving books, the executors were able to transfer to England only 465,248 rupees. Palk's Calcutta real estate, consisting of his "Garden-House," town house south of the Great Tank, and two "upper-roomed" houses, went off slowly but the executors' wise management of it made profits while other assets were being liquidated. In remitting these assets, the executors divided their risks almost equally, giving a slight preference to the Company's securities. Somewhat more than half of their remittances were made through the Company's cash either in bonds or bills of exchange. If the Court of Directors' plans for "bringing home" the India debt through exchanges of Bengal bonds for sterling bonds had gone more smoothly, the executors might not have had any balance in their hands on April 30, 1786. The remittances which were not made through the Company were handled through the agency house of Paxton, Cockerell & Delisle. As far as one can tell from the entries concerned, these were investments in cargoes to China on "country" ships or cargoes to Europe on foreign ships. There is a specific reference to a purchase of respondentia bonds on the Danish ship *Cronprincessin*. In any event, Palk's executors did not betray their trust. They made possible the payment of every sterling legacy mentioned in Palk's will drawn at Plassey on August 28, 1780.¹⁹

With the arrival of more reassuring news from Europe during 1786, panic somewhat subsided in Bengal. Once men realized that measures taken in Europe after the passage of Pitt's Act were restoring the Company's credit, it became

¹⁹ This will may be found at Somerset House "Rockingham," 1784, folio 658.

less necessary to distribute European financial assets as widely as possible. Only the most notorious culprits among the opium contractors and their like felt it necessary to make heavy remittances through foreign channels. Sir John Macpherson, during the period of his *interim* governor-generalship, appears to have thought that prosperity would return merely through the revival of trade in Bengal. Although, like everyone else, he was glad to know that his honorable masters in Leadenhall Street did not propose to default on the payment of their obligations, he hardly grasped the implications of the policy adopted at home. All the rosy estimates compiled at the India House for the express purpose of proving that the Company would be well out of the red within ten years were based on rigid economy in every department of Bengal administration. Sir John Macpherson's ideas were incompatible with such plans. He based his hopes of improvement on an expansion of trade carried on by British subjects in Bengal.

Sir John Macpherson's character was not of the best. The sobriquet "Johnny MacShuffle," given him by the "country" trader George Smith, fitted him perfectly in the opinion of nearly all his contemporaries.²⁰ When Macpherson was about to come into power, Fowke prophesied that his chief advisers would be MacKenzie "under the tuition of Colly Chund," Tom Graham, William Petrie, and other choice spirits among the contractors for opium, salt, and saltpeter.²¹ In brief, Macpherson's aim was to preserve what he could of the system which had enabled the group about Hastings to make their profits. He proposed to eliminate foreign influence as far as possible. His measures for bringing the trade of the Hugli under exclusively British control were taken with that end in view. Along with them went the beginnings of an attempt to abolish vexatious customs duties at all British Indian ports. Macpherson's liberal commercial agreement with the French, negotiated by Colonel Cathcart at Mauritius and later disallowed

²⁰ H. M. 434, George Smith to Dundas, Dec. 5, 1785.

²¹ Eur. MSS, E 6, item 32, J. Fowke to F. Fowke, Dec. 18, 1784.

in Europe, sprang from similar considerations. Macpherson genuinely believed that a freer trading policy under which the British were bound to be the gainers was the soundest course to follow. He regarded the machinery of the Company's government solely as an engine whereby the interests of Bengal Europeans might best be protected. He therefore saw nothing wrong in "privileging" the shipment of large amounts of privately owned goods home on Company's ships. For this, he was roundly denounced by the Court of Directors who were themselves later forced on occasion to adopt this same expedient for getting goods home.²²

When Macpherson was preparing to take over the government from Hastings, the current unpaid demands on the Company's treasury in Bengal well exceeded a crore of current rupees, and the Company's total unpaid debt in India was mounting steadily toward eight crores.²³ In order to understand how this situation arose, it is necessary to recall briefly the trend of events before the American War. As early as 1778, the Dutch in Bengal noticed both that the making of huge private fortunes was becoming more difficult and that an ever larger proportion of the so-called fortunes was not being transferred to Europe in the form of goods but was being expended in India on the English company's army and civil service.²⁴ During the war period itself, the Dutch calculated that the English company's Bengal government was annually spending at least a crore more than the four crores which it received in revenue. While the war went on, Hastings either suspended the purchase of goods for shipment to Europe altogether or borrowed money at high rates of interest in order to

²² Eur. MSS D 281, references to "privileging" of privately-owned goods on the *Winterton* 1785. The directors called this "shameful" and the Board of Control thought it "unwarrantable."

²³ Melville MSS, in my possession, "Unsatisfied demands upon the General Treasury of Fort William," dated Nov. 30, 1784, showing a total of 1,44,47,860 current rupees. On Nov. 30, 1785, George Smith assured Dundas the total debt already stood at 8 crores of current rupees. See H. M. 434, Smith to Dundas, Nov. 30, 1785.

²⁴ A. R. O. B., Bengale 1778, II, general letter to the Seventeen, Jan. 10, 1778.

supply cargoes.²⁵ Since the effect of the war was to draw Bengal silver either to China or to southern India, it is not astonishing that Macpherson found himself the leading member of a Calcutta European community whose wealth consisted chiefly in the various types of the Company's "paper." No one then knew precisely how much gold and silver remained in Bengal. The amount was supposed not to exceed five and a half crores, which was practically all owned by Indians.²⁶ It was a common belief among Europeans that the wealthier Indian landlords and merchants would have nothing to do with the Company's paper. Only the "banians," the group through whom the average Bengal European made contact with the Indian world about him, bought the Company's paper and understood the art of speculating in it for their own private profit.

Apart from stimulating a revival of the internal trade of Bengal, Macpherson did little or nothing to escape from the financial morass in which he was placed, except to slash forty lakhs of rupees off his civil and military budget.²⁷ In the spring of 1786, approximately 22 lakhs of rupees in the Company's Bengal bonds and 14 lakhs in Treasury orders were circulating in Calcutta. The bonds bore a discount of 25-30 per cent and the orders, of 10-20 per cent.²⁸ The Company then made no pretense of paying the bonds in India and Europeans gambled in them according to each individual's need of cash or his confidence or lack of confidence in the ultimate success of the measures taken to insure their payment in Europe. Since the Bengal government was already several lakhs behind with the payment of the 8 per cent interest on them, there was little prospect of a sharp decrease in the discount.

²⁵ A. R. O. B., Bengale 1786, II, Titsingh to the Seventeen, secret letter, Dec. 10, 1785.

²⁶ H. M. 434, Geo. Smith to Dundas, Jan. 27, 1785.

²⁷ A. N. Guerre, A¹ 3765, dispatch from Souillac to Castries, Sept. 15, 1785.

²⁸ A. R. O. B., Bengale 1786, II, Titsingh to the Seventeen, secret letter, Jan. 16, 1786. Cf. H. M. 434, Geo. Smith to Dundas, Nov. 30, 1785.

The Bengal Treasury orders were in a somewhat different position and offered great opportunities for speculation to Company servants who knew when the Treasury was likely to have cash on hand to meet them. Such servants, working through agents, would buy up Treasury orders at 15 per cent discount, and then pay them to themselves in full when there was silver on hand in the Treasury.²⁹ This practice caused such a scandal that Sir John Macpherson was finally obliged to decree that all Treasury orders issued prior to May 1, 1785 would be listed and paid according to priority of date. When, as a consequence of this, the discount rose to 25 per cent on all the Treasury orders issued *after* May 1, 1785, Calcutta suffered from a scarcity of ready money which alarmed everyone anxious to use the funds of Company servants. If the Company servant, paid in the Company's paper, could not readily convert it without great loss, he not only would not, but could not, invest in foreign bills of exchange. This circumstance was another factor tending to narrow the field of operations of the agents of foreign East India companies and private traders.

Within a year of Sir John Macpherson's accession to power, every man on the Company's payroll, whether an Indian or a European, whether a "covenanted" or "uncovenanted" servant, was entitled to receive in cash only the amount of his nominal salary. The *batta* and extra allowances which formed the largest part of his remuneration were paid in Treasury certificates bearing 8 per cent interest. All "arrears" or unpaid claims on any department of government were likewise met by issuing similar certificates. Specie was so desperately needed at the Treasury that all collectors of revenue, all customs officers, and the government's agent at Lucknow and resident at Benares were enjoined never to send a bill of exchange to Calcutta which did not require payment in cash. At this time, it is highly improbable that any of the famous

²⁹ A. R. O. B., Bengale 1786, II, Titsingh to the Seventeen, secret letter, Jan. 16, 1786.

annual subsidy of 118 lakhs paid by the nawab wazir of Oudh ever reached Bengal. Every rupee of it not used to pay the Company's troops in Oudh probably went to satisfy *shroffs* who held the bills drawn by the governor of Bombay on the governor-general of Bengal.³⁰ In order to get silver, Macpherson was authorized to sell the Company's bills of exchange on London up to £180,000 at the high rate of 2s.1d. per current rupee. On these bills, the Court of Directors reserved the right to delay payment for four years, but agreed to pay 5 per cent interest after the end of the first year. Moreover any person willing to take a bill drawn by the governor-general on a collector of revenue in the interior was to be encouraged to bring silver to the Treasury.³¹

The dispatches announcing the Company's plans for "bringing home" their debt in India arrived in Bengal a few months ahead of Cornwallis and simply served to stimulate speculation in the Company's bonds.³² Every European who had taken a chance on Bengal bonds when they were at 34 per cent discount or on Madras bonds when they were at 48 per cent discount was overjoyed at the prospect of making a profit in England even at the low exchange rate of 1s. 8d. per current rupee. He made not only a safe but a very advantageous remittance in exchanging his bond for an obligation in sterling bearing 5 per cent interest, on which 10 per cent of the principal was due to be discharged annually after March 1, 1790. Similarly, many a banian who had bought a bond at 30 or 40 per cent discount from a hard-pressed European army officer or civil servant was happy to sell at a handsome profit to a European anxious to make a safe remittance home. The bondholder who was discomfited was the Company servant who had held his original bonds, for, at 1s. 8d. per rupee, he could

³⁰ This had been the situation in 1783. See Eur. MSS D 12, item 8, Wm. Paxton to F. Fowke, Aug. 16, 1783.

³¹ A. R. O. B., Bengale 1786, II, Titsingh to the Seventeen, Jan. 16, 1786; enclosures, especially "Calcutta Gazette Extraordinary" of Dec. 20, 1785.

³² Abs. of Disp. to Bengal 2, separate general letter *re* debt, dated Sept. 15, 1785.

not hope to receive the face value of his bond in England. He therefore preferred to hold his bonds whether he returned to England or not.³³

Although Sir John Macpherson and the Court of Directors were pursuing basically different policies, they both chanced to work together in accelerating the operation of those forces which so disturbed the representatives of foreign East India companies in Bengal. By encouraging purchases of Company bonds, and by offering £180,000 in bills of exchange for sale, the directors discouraged remittances through foreigners. By controlling commerce on the Hugli, by depriving large numbers of Company servants of the opportunity to get ready cash, and by "privileging" private shipments of goods on Company ships, Sir John Macpherson did the same. The specific provisions of the Acts of Parliament and the fears engendered by Pitt's Board of Control might be at the bottom of Anglo-Indian reluctance to buy foreign bills of exchange, but the trend of events in Bengal itself was hardly such as to favor the making of remittances through non-British channels.

When Lord Cornwallis arrived in the autumn of 1786, the senior members of the Company's civil and military services were quickly made aware that the Bengal government would henceforth not be conducted for their private advantage. Under the Cornwallis regime, the adventurous Bengal European who sought large profits learned that he must seek them outside the Company's service either in the expanding "country" trade or in the application of capital to new enterprises in the interior or even beyond the borders of Bengal. Cornwallis had been only five weeks in India when Titsingh at Chinsura expressed in council his opinion that Bengal was exhausted. Titsingh had made it his business to try and understand the implications of the financial morass in which the English company was involved. He could not see that the policy of economy and reform enjoined on Cornwallis

³³ A. R. O. B., Bengale 1786, II, Titsingh to Althing, secret letter, Mar. 14, 1786.

would restore prosperous conditions under which the Dutch could receive British funds, and so it proved.³⁴ All Cornwallis' reductions of establishment, all his regulations for the protection of the Company's weavers, all his attacks on corruption in both civil and military services, accomplished primarily one end — the maintenance of confidence in Europe, a confidence which was essential to the smooth running of the Bengal governmental machine. His measures were powerless to remedy the conditions which caused a scarcity of ready money in Calcutta alarming to both British subjects and foreigners alike.

Drastic economies in administration and the abolition of collusive contracts in the collection of the homeward cargoes improved but did not greatly change the Bengal government's financial position. A year after the arrival of Lord Cornwallis the Bengal government alone owed 198 lakhs of rupees on bonds and 172 lakhs on certificates and was 19 lakhs in arrears with its interest payments.³⁵ The reforms prevented the government from borrowing the peculations of its own servants in order to meet current demands, but provided no alternative method of getting cash. Under these conditions, Indians tended to hoard silver, and Europeans became more desperately in need of it. By January 1788, Cornwallis was being compelled to accept private goods for shipment on the Company's ships.³⁶ In March, the French East India Company's agents reported that several wealthy *shroffs* in league with a few rapacious European bankers were deliberately withholding silver from circulation.³⁷ The new silver rupees were so scarce that borrowers were forced to pay usurious interest rates. In spite of every expedient adopted by the government, Bengal's situation did not improve. Eleven months of such

³⁴ A. R. O. B., Bengale 1787, III, Council Proceedings, Oct. 17, 1786.

³⁵ India Office "Parliamentary Collections" 22, Parliamentary Paper 14 (1788), Schedule of Bengal debt as of Oct. 31, 1787.

³⁶ A. R. O. B., Bengale 1788, I, general letter to the Seventeen of Jan. 12, 1788.

³⁷ A. N., AJ¹ 40. Bengal agents to French E. I. Co., Mar. 7, 1788.

conditions sufficed to bring on the crisis which drove the Dutch to despair in the spring of 1789.

When Titsingh sent Blume to Calcutta to beg for money in February 1789, the English East India Company's position was in some respects really worse than that of the Dutch. As things then were, Titsingh had no hope of getting money, not because British channels of remittance had been created to take care of all the surplus cash in British hands, but because British subjects could meet only a fraction of the British demand for cash. Cornwallis was still allowing private individuals to ship goods on Company ships. All the agency houses were glutted with China bills of exchange which they could not sell, and, besides that, they were trying to get the Company's servants to buy their own private bills of exchange.³⁸ The time was steadily approaching when Cornwallis would be in as desperate need of silver as Titsingh was and have less justification for asking his employers for it. Whereas Titsingh could honestly plead with the Seventeen that they must send silver from Amsterdam or Batavia in order to revive Dutch trade in Bengal, Cornwallis could not have made a similar plea to the Court of Directors without running directly counter to the principles upon which British-Indian finance was then, in theory, based. All the steps taken in Europe since 1783 to restore the English company's credit had been taken ostensibly on the ground that a successor to Hastings, by carrying out a program of retrenchment and reform, would within a few years be able to send home India goods purchased by a clear surplus of revenue over expenditure. The Company would not have cared publicly to admit that it was forced to export bullion to India in order to revive trade in Bengal. Such an admission would proclaim to all Europe that the Company was powerless to buy India cargoes either with a true surplus of revenue or with funds supplied in India through the sale of bills of exchange. The outbreak of war with Tipu Sultan thus came at a very opportune time for Lord Cornwallis, so

³⁸ A. R. O. B., Bengal 1789, I, Blume to Titsingh, Feb. 11, 1789.

opportune, in fact, as to suggest its deliberate provocation by European merchants in Bengal and Madras who were sure to profit by it. In 1789/90, Lord Cornwallis' government could not possibly wage war without the aid of silver brought from Europe.

Although the European agency houses in Madras and Calcutta could have pursued no more Machiavellian policy than to maneuver Lord Cornwallis into a position from which he could not retreat without engaging in hostilities with Tipu, they had no need to do so. The war had long been brewing, and to pin the responsibility for it exclusively upon either European or Indian shoulders would have proved an impossible task. In whatever light the events of 1789/90 are viewed, the Calcutta merchants can have had little to do with them. The unanimity of European opinion concerning the character and aims of Tipu is most striking. While the war was drawing to its close, Sir Robert Abercromby wrote to Dundas from Coorg:

The ambitious views and hostile intentions of Tippoo were notorious; there is not a man, European or native, in this country who did not know them. The many gross insults that were offered by that monster to the Chief and garrison at Tellicherry (long before the attack on the Travancore lines) to which we tamely submitted prove perhaps that we even sacrificed our national honor to the love of peace.³⁹

These sentences are a bit highly colored, but they express views which may be found in French, Dutch, Portuguese, and English descriptions of Tipu over a period of ten years. Pivéron de Morlat, the Frenchman who was in closest association with Tipu after his accession, quickly formed an opinion of him which never changed. This opinion was best expressed in a letter from Pivéron de Morlat to a Portuguese official at Goa, dated December 17, 1783.

Since the death of Hyder Ali Khan, everything is different in this

³⁹ Melville MSS, in the possession of Francis Edwards, Abercromby to Dundas, Jan. 14, 1792.

Durbar; his successor has neither his genius nor his great qualities, and shows that he will not long retain the great inheritance of his father; as you adjoin his lands allow me to warn you that you have need of great caution to maintain a good intelligence with him; his Durbar is wicked, ignorant, covetous, and cunning which has a great influence upon the actions of the Prince.⁴⁰

No Frenchman who knew India well held a different opinion of Tipu, and we have already seen with what distaste the servants of the French king and the French East India Company did their duty in cultivating his friendship and in arranging his ambassadors' journey to Paris. The weak Portuguese government at Goa thoroughly hated him and trembled at the prospect of victory for his arms. Tipu was, in fact, not anti-British, but anti-European. By increasing his field army to 25,000 cavalry, 80,000 infantry, and 125 heavy guns; by planning to build his own navy and his own "country" trading fleet; and by imposing an embargo along his coasts, Tipu gave every evidence of meditating an attack on European traders along the Malabar coast.⁴¹

Some idea of the efficacy of Tipu's blockade may be gained from a brief glimpse of his port at Mangalore given by the "country" trader George Smith in 1786. Tipu was then demolishing the fort at Onore, inciting the local rajas against the British, and building one or two 40 or 50 gun ships for his navy. He still harbored the Scotsman, Murdoch Brown, as the agent for the defunct Imperial East India Company of Trieste. Smith managed to get a letter through to Brown, and received a most interesting reply. Brown advised Smith not to attempt to enter Mangalore unless he could hoist French colors, pretend to be a Pondichéry merchant bringing goods for Brown, and bribe every one of his lascars to keep quiet

⁴⁰ Port. Trans., vol. 2, part 2, p. 533, Piveron de Morlat to Feliciano Ramos, Nobre Monrao, dated Mangalore, Dec. 17, 1783.

⁴¹ Port. Trans., vol. 3, part 2, p. 357, Francisco da Cunha e Menezes to Martinho de Mello e Castro, Apr. 14, 1791, part 1, p. 169, translation of a MS *re* forces of Indian princes, 1787. A. N. Marine B⁴ 276, Kergariou-Loemaria to minister, Cochin, Jan. 3, 1787.

about the deception. Otherwise, the only way Smith could get goods into Mysore would be to smuggle them in from Mahé or Tellicherry with Brown's connivance. Brown, who was himself secretly acting for David Scott of Bombay, agreed to remit the proceeds of the sales of Smith's goods to John Beaumont at Tellicherry.⁴²

In 1789, the group of "country" traders who regarded Tipu's activities with most trepidation were the famous Cochin Jews. This Jewish community, unique in the world, is thought to have settled in Cochin between the fifth and the eighth centuries A.D. These Jews thus can hardly be classified among Europeans in eighteenth-century India, but they were then living under Dutch protection and their interests were identical with those of European traders. They regarded the decay of Dutch power in India as a portent of disaster, and were well aware that Governor Van Angelbeck had been pleading in vain with his superiors for direct shipments of silver from Batavia to Cochin. Their emissaries, Ephraim Cohen and Abraham Samuels, returned from the interior with reports both of Tipu's intensified war preparations and of official English refusal to aid the Dutch against Tipu.

On July 7, 1789, when Tipu began his heavy troop concentrations near the outlying Dutch forts at Kranganore and Aikotta, Cochin's situation was desperate. The Dutch governor could muster only 1,700 militia in addition to his regular garrison of 1,800, among whom the European complement was so small as to afford no guarantee of discipline. The raja of Travancore's position was somewhat different. He had no love for the European traders who bought his pepper, but he was gradually being forced into the position of having to choose between Tipu and the English as masters. Neither prospect pleased, and he consequently engaged in a desperate attempt to maintain the *status quo*. On the tenth of July, he wrote Governor Van Angelbeck that if Tipu sacked Cochin, he and his heirs would be wholly at the mercy of the English as were the raja

⁴² H. M. 434, George Smith to Dundas, Mar. 12, 1786.

of Tanjore, the nawab of Arcot, and "many other princes now groaning under their yoke."⁴³

The raja of Travancore, the Dutch, and the Cochin Jews, therefore, had need of each other and out of that need arose the clever scheme for thwarting Tipu by selling the outlying Dutch forts of Kranganore and Aikotta to the raja whose territorial integrity had been guaranteed by the British in the treaty of Mangalore of 1783. This bargain was struck on July 28, a few days after Samuel Abraham, one of the wealthiest of Cochin merchants, received from his friend Captain Oliver, commander of a battalion of the Madras Army stationed at Paree, secret information contained in the report of a *havildar* who had been sent to spy upon Tipu's preparations at Coimbatore for the siege of Cochin. In the eyes of the world, the Dutch had sold two useless forts to the raja for three lakhs of rupees, but the truth was far otherwise. No cash whatever changed hands. The raja merely promised to supply two and a half lakhs' worth of pepper to the Dutch within four years. As for the other 50,000 rupees, David Rhabbi, Ephraim Cohen, and Anda Setty gave surety for half, and Anda Setty, who was probably an Armenian, provided the other half on the raja's bond. Since Van Angelbeck and his council had borrowed exactly 50,000 rupees from Jewish and Indian merchants a year earlier, there is a strong suspicion that not a single silver rupee found its way into the Dutch company's treasury at Cochin on July 28, 1789.⁴⁴

This astounding transaction for the sale of the forts infuriated Tipu, annoyed the Madras government, and deceived Lord Cornwallis. The raja's occupation of the forts ushered in the months of violent diplomatic interchange between Madras, Bengal, and Tipu from which war resulted. From the first, Lord Cornwallis' mind was moved by high considerations of imperial policy. His legalistic point of view, his respect

⁴³ A. R. O. B., Malabar 1790, I, Van Angelbeck to Althing, Aug. 30, 1789.

⁴⁴ *Ibid.*, see Malabar 1790, III, Resolution of Council to borrow 50,000 Rs., Aug. 14, 1788.

for the pledged word and the "honour of the British name" led him, as early as August 1789, to instruct the Madras government to tell Tipu that an invasion of Travancore would mean immediate war.⁴⁵ In Madras, the acting governor, John Hollond, was more aware of what was really going on along the Malabar coast and happened to belong to the group among Madras Europeans who thought they would profit less by war than by peace. As a principal creditor of the nawab of Arcot, he knew that Cornwallis' first military measure would be a suspension of payments to the nawab's creditors. Reluctant to allow himself to be hoodwinked by the sale of the Dutch forts, he vacillated and temporized to such an extent that Tipu decided to risk an open attack on Travancore late in December 1789 and found himself openly at war with the British, the Nizam and the Marathas within five months. News of the outbreak of revolution in France served to intensify Lord Cornwallis' original determination to regard an attack on Travancore as a *casus belli*.

For one of the perpetrators of the bargain for the sale of the forts, the war was not an unmixed evil, but for the other it was a disaster. The Dutch, after all, did not lose Cochin, and the Jews and other "country" merchants were soon busily peddling the military supplies which quickly arrived from Batavia and elsewhere.⁴⁶ The raja, however, watched English power spread over the Malabar coast and monopolize the market for pepper. His situation, after the return of peace, was described by the Portuguese governor-general at Goa in the following terms:

The English make a monopoly [of pepper] from Mount Deli to Cape Cormorin, wishing to claim for themselves in the first place all the produce from which the King [of Travancore] derives any profit . . . The said English fearing that they will not get from the said King as large a quantity as they desire, have provided themselves with certain light war vessels which go round the ports of this kingdom every day in order to terrorize over the said king so that

⁴⁵ C. Ross, ed., *Correspondence of Charles, 1st Marquis Cornwallis*, I, 478.

⁴⁶ A. R. O. B., Malabar II, 1790, Van Angelbeck to Althing, Apr. 30, 1790.

they alone and no other nation can obtain pepper . . . In spite of this however, I think that if the merchants of Lisbon intend to buy any, they may be able to do so in Tellicherry from the English themselves, for I am informed that it is sold there in secret.⁴⁷

For nearly all Europeans in India and for many in Europe, this war meant profits. The lowering of discount rates and interest rates on the Company's paper in the autumn of 1789 may be due not only to an improvement in trade but to a conviction on the part of the European bankers and merchants that Lord Cornwallis' policy led straight to war. Everyone even remotely connected with a Madras agency house knew of the considerations which led William Bruère in Dacca to write to William Devaynes in Leadenhall Street in August 1789, "Nor, is it likely that you will again be at war in India unless it be to gratify the ambition of your government here and to fill the pockets of your other governments and commanding officers as was the case on a former occasion."⁴⁸ When the war had been going on for a year, Richard Johnson wrote to Dundas, "I consider the war itself under the present circumstances the most fortunate thing that could happen for the British interests in India," and recalled that he had written from Madras in February 1790, "All description of persons here are for war; some are moved by old resentments, some by interest, and the rest float with the general stream."⁴⁹ Members of agency houses who had handled dollars shipped secretly to India for investment in the Company's paper knew what vistas of profit a war would open up. Bourdieu, Chollet & Bourdieu shipped dollars for this purpose as early as 1787, and early in 1789 Charles Herries & Co. knew dollars were being sent by private individuals on French ships.⁵⁰ In

⁴⁷ Port. Trans., vol. 3, part 2, p. 739, Francisco da Cunha Menezes to Martinho de Mello Castro, Mar. 14, 1793. Cf. Abs. of Disp. to Bengal 2, public letter of Apr. 15, 1795, approving Bombay government's claim to an exclusive right to the raja of Travancore's whole pepper crop.

⁴⁸ H. M. 795, Wm. Bruère to Devaynes, Aug. 9, 1789.

⁴⁹ H. M. 435, Richard Johnson to Dundas, May 11, 1791.

⁵⁰ A. N. AJ² 236 and 237, French E. I. Co. to Charles Herries & Co., Feb. 19, 1787; Feb. 23, 1789.

December 1789, the astute Mr. Sibbald, who had probably heard in London by that time of what was taking place along the Malabar coast in August, began exporting dollars to Bombay, consigned to his friends Messrs. Tate, Adamson & de Souza for the express purpose of being invested in Bombay Treasury bonds.⁵¹ Lord Cornwallis, sincerely desirous of peace, retrenchment, and reform, had really created a machine admirably suited to the needs of everyone anxious to profit by war in India. All these people knew that the government in London could not abandon Lord Cornwallis and that there was no appreciable chance of losing their profits through repudiation of the East India Company's securities.

With the opening of hostilities against Tipu, money flowed into the Company's war chests in exchange for the Company's paper promises to pay, bearing interest at 8, 10, and even 12 per cent. Young writers on the Madras establishment were soon spreading upon the pages of the Company's Madras books of account a remarkable record of systematized and regulated imperialism. All parts of the Company's governmental machine functioned smoothly, efficiently, and unobtrusively to equip and feed the large armies of Europeans, sepoys, and camp followers which during two years carried on those campaigns in southern India minutely described by Major Dirom and other contemporary observers. The financial operations involved were threefold. There were the Company's official shipments of gold and silver to Madras from Bengal and Europe, the specie raised privately at Madras on loan, much of which had been sent from London by private individuals, and the funds transferred from Bengal through bills of exchange.

At first, the Company's official shipments of specie from Bengal to Madras were almost wholly in gold. Prospects of profit from the war had aroused the cupidity of the hoarders of gold mohurs who loosened their purse strings for the government's benefit. Fifty ingots of gold, valued at two lakhs in terms of *sicca* rupees, left Calcutta for Madras in the *General*

⁵¹ Misc. 31, Sec'y Morton to Gildart & Reid, Dec. 30, 1789.

Goddard in December 1789, and 50,000 gold mohurs, the equivalent of 8 lakhs of rupees, followed them in March 1790. When the war was really under way, chests of *sicca* rupees predominated in these shipments to Madras, and, with the opening of the second year of war, the government's difficulties in getting specie in Bengal are evidenced by the appearance of Venetians, Spanish dollars, Delhi mohurs, and bar silver in invoices to Madras. From London, the Company sent only silver. There is no reference to gold in any form. Some silver was expressly sent to aid Lord Cornwallis, but much of it was taken out of the Company's China ships when they called at Madras outward bound. After June 1790, the Madras books contained many entries similar to those recording the arrival of the *Triton*, *Lord Thurlow*, *Minerva*, and *Hindustan* with 28 chests filled with 112,672 New Mexico dollars, weighing 97,610 oz., which at 5s. 2½d. per oz. and 8s. per pagoda were the equivalent of £25,419.8.6½ or star pagodas 63,548.20.35. As the rice contractors, bullock contractors, and their like who supplied the army in the field dealt only in Arcot rupees and gold pagodas, there was no rest for the Company's Madras mintmaster and his assistants while the war went on.⁵²

The entries on the Madras books concerned with the raising of money for the war in Madras itself give the most vivid impression of what the war meant in terms of profits to Europeans and Indians alike. In June 1790, the Madras government bought 128,000 dollars of Mr. J. C. Pingel whom we have met as an unscrupulous agent of the Danish East India Company at Tranquebar.⁵³ At the same time there were similar purchases of dollars from agency houses which may or may not have been acting for individual shippers of silver in London, Lisbon, Amsterdam, or Copenhagen. The Madras

⁵² Madr. Treas. Journals 1789/90, 1790/91, *passim*; especially entries *re* gold from Bengal, Dec. 31, 1789, Mar. 31, 1790; *re* silver received from London June 30, 1790, and subsequent entries; see also Madr. Mint Account Current, 1789-1792, *passim*. *Re* diversion of silver from China during the war, see Abs. of Disp. to Bengal 2, public letter of Feb. 25, 1793.

⁵³ Madr. Treas. Journ. 1790/91, entry *re* dollars bought June 30, 1790.

government was likewise giving commissions to European and Indian merchants by selling them Arcot rupees in order to get gold. When the war was only three months old, the government began borrowing at 10 per cent not only from the agency houses but from all classes in the Madras community. Names ending in "Chitty," "Pillah," or "Naig" appeared in the lists for sums in thousands of pagodas, side by side with "Captain Martin Hunter of His Majesty's 52nd," George Baker, Miss Catherine Taylor, and the "Church Wardens" in their various capacities "on account of the native poor" or "in trust for the widow and children of the late Samuel Dicker, musician." By October 1790, the government was offering 12 per cent for cash. In that one month 161,600 star pagodas came in, at least half of which was raised by the non-British community, 35,000 from Indians, 35,000 from persons bearing names of Portuguese origin, and a somewhat smaller amount from Armenians. On this list, the trustees of the Orphan Asylum put themselves down for 5,000 pagodas, the "Reverend Christian Pohle" for 1,000, and the Superior of the Capuchin Convent for 1,000. Nearly three quarters of the lakh of pagodas subscribed in November was paid in by Indians and Portuguese, among whom Dr. Roxburgh, the botanist, the Reverend Christopher Samuel, jun., of Tranquebar, and James Amos "on behalf of the Amicable Insurance Association" stand out in marked isolation. During the next four months, at least a lakh of pagodas was subscribed by Indians alone, and they also took part in a special loan of 123,000 pagodas at 12 per cent raised among the European agency houses and the Portuguese and Armenian community.⁵⁴

Throughout the war, the Bengal government made heavy transfers of funds to Madras by the sale of bills of exchange and cargoes of rice. The entries regarding these transactions wear such a peculiar aspect as to suggest that Isaac Titsingh was a true prophet when he wrote his superiors at Batavia that the English government's need of sending great sums to

⁵⁴ Madr. Gen. Journ. 1790/91, entries *re* "New Subscription" and other loans.

Madras for military expenses would arouse the cupidity of profiteering scoundrels.⁵⁵ In the first place, many transactions apparently referring to bills of exchange have no commercial significance and simply represent purchases of the Bengal government's paper obligations either for investment or for speculation. William Bruère wrote from Dacca to London that the Company's servants connected with the Treasury were still manipulating the discount on government paper to their own advantage in 1789 in spite of Lord Cornwallis' attempts to stop the practice.⁵⁶ The war would simply serve to widen their opportunities. In the second place, there is little doubt of the Madras servants' willingness to write government bills of exchange for their friends at artificially high exchange rates. When we read that Balfour, Spalding & Colt bought a bill of exchange drawn on the Bengal government in their favor for Arcot rupees 107,671.8 at 393 Arcot rupees per 100 pagodas "in Arcot rupees 100,000 at 365 Arcot rupees per 100 pagodas," the supposition is strong that Messrs. Balfour, Spalding & Colt supplied the Madras government with 100,000 silver rupees in return for a claim on the Bengal government for the equivalent of 107,671 rupees. The clerks entered many such items in the midst of ordinary bills of exchange bought by agency houses in Madras and made payable to firms and individuals in Calcutta. As a result of an increased demand for rice to feed the sepoys, the Bengal government had to employ not one but three rice contractors to arrange for its remittance to Madras of cargoes of rice.⁵⁷

Since the war was fought by armies converging upon Tipu's dominions from the north and west as well as the east, Bombay merchants quickly seized the opportunity to vie with their brethren at Madras in making profits. Through their operations, the west of India was brought into a closer economic

⁵⁵ A. R. O. B., Bengale 1791, I, Titsingh to Althing, Apr. 8, 1790.

⁵⁶ H. M. 795, Wm. Bruère to Devaynes, Aug. 9, 1789.

⁵⁷ Madr. Gen. Journ. 1790/91, entries *re* remittances from Bengal, Mar. 1791; and rice shipments by Geo. Tyler, John Beanland, and Arthur Mair.

relationship with the south than had hitherto been the case. The war in fact tended to draw Bombay nearer to Madras much as the events of the previous decade had drawn Bombay nearer to Calcutta. The armies of the Marathas had to be fed and accoutered as well as those of the English and the Nizam, and the subsidies supplied by the Marathas had to be spent. Charles Malet, the English Resident at Poona who has been so justly praised for his abilities as diplomat, was also a practical man of affairs. He acted as a bill broker through whom remittances from Calcutta to Bombay via Lucknow or Benares were diverted to Poona for the support of the war. To him, the Marathas paid their subsidies, and he, in turn, supplied the Bombay civil servants who arranged for the provisioning and transport of the Bombay Army.

The Bombay books of account record Mr. Malet's transactions down to the last bullock. We learn, for example, that 1,000 bullocks cost 43,128 Bombay rupees. They were collected in two months by a *chody* who received 60 rupees a month. The *chody* had four *naigs* as assistants at 25 rupees a month, and he hired the bullock-drivers at 7 rupees a month.⁵⁸ Mr. Malet's bullocks reached the field of operations overland, but the Bombay government also brought bullocks by sea from as far north as Surat. In the autumn of 1791, the Company's chief at Surat requested competitive bids for freighting several hundred bullocks to Cannanore on "country" ships. Nicholas Cheminant, captain of the *Warren Hastings*, offered to load them at 75 rupees a head, including feed and water, but the contract went to Jacinto Dominguez and Loll-dass Cusondass who offered respectively 37 and 40 rupees a head. The bullocks accordingly sailed for the south on Dominguez' ship *Aeneas* of 600 tons and on Cusondass' fleet of eight vessels, three "grabs" and five "botillas" commanded by *tindals*.⁵⁹ All these transactions in military supplies were financed either by cash received from Bengal through bills of

⁵⁸ Bombay Gen. Journ. 1790/91, Nov. 30, 1790.

⁵⁹ Fac. Rec., Surat 69, Con. Oct. 16, 1791; Dec. 28, 1791; Dec. 31, 1791.

exchange or by cash borrowed in Bombay from all classes in the mercantile community. The numerous items listing bills of exchange negotiated at Poona show that Charles Malet spent a very large share of his time in persuading *shroffs* to part with their money in return for bills drawn on the Company's resident at Benares. In Bombay, the Parsis provided a goodly share of the funds, and the war enabled Alexander Adamson and James Tate to step into the position of intimate relationship to the Bombay government formerly occupied by David Scott. Bombay's military budget expanded within one year to twice its normal size which meant the spending of 26 lakhs of rupees, of which at least 8 were borrowed in Bombay at high interest rates.⁶⁰

The Company's Bombay and Madras accounts testify to the soundness of James Mill's contention that huge sums were squandered upon the war without any commensurate return. Tipu, it is true, ceded half his territories and paid an indemnity of 330 lakhs of rupees, but, when the spoils were distributed among the English, the Marathas, and the Nizam, the English received territories in Malabar yielding a revenue far from sufficient to pay the interest charges on the cost of the war. Precisely what that cost was cannot be determined with accuracy. The French thought that the first year of the war alone cost four crores of rupees or virtually the entire annual revenue of Bengal.⁶¹ The Madras balance sheets imply that this estimate is too high, but they give a clear indication of what regulated imperialism actually meant. A paltry 317,000 pagodas' worth of piece goods was all the Court of Directors had received from Madras in return for an expenditure of 5,000,000 pagodas in the year 1790/91. Of that 5,000,000 pagodas, 167,900 came from London in silver, 244,781 from London in military stores, 1,511,175 from Calcutta in gold

⁶⁰ Bombay Gen. Journ. 1790/91, entries *re* C. W. Malet, remittances from Bengal, and comparative tables of figures for 1789/90 and 1790/91.

⁶¹ A. N., AJ¹ 352, Lagrenée to French E. I. Co., Pondichéry, July 15, 1791; cf. James Mill, *History of British India* (4th ed., London, 1848), V, 461.

and silver, 1,930,832 from Calcutta in rice and bills of exchange, and 1,150,000 were borrowed in Madras.⁶² It was never pretended that the Company could pay for this war out of its Indian resources. When the war ended, the Madras bond debt alone stood at 23 lakhs of pagodas. Sir Charles Oakeley, the governor, took great credit to himself for reducing it to 6 lakhs at 6 per cent within a few years but not one pagoda of it was really paid off. The Europeans who had poured their money into the Madras Treasury in order to defeat Tipu merely agreed to exchange their Madras bonds for bonds payable in London or Calcutta.⁶³ The only difference between their position in 1793 and that of their predecessors in 1783 was that they had no need to rush home to help bolster up the tottering fabric of the East India Company in order to prevent their bonds from becoming worthless.

Although the payments of indemnity received from Tipu were small in comparison to the sums needed to accomplish his defeat, they also gave business to the Madras European and Indian merchants. Tipu's hoard, like that of other Indian princes, contained every type of gold and silver coin current in the East. The tabulations for the payment of his *kists* read like pages from the Arabian Nights. Bar silver, Mysore pagodas, German crowns, Tellicherry fanams, Pondichéry rupees, Maratha rupees, Ahmedee gold mohurs, Sadderiki half mohurs, Hyderee pagodas, Venetians, Kottah Gopaul fanams, Veerayee fanams, raja Gopaul fanams, and double sultan rupees had all to be counted, weighed, and valued in terms of the Madras star pagoda. The Madras government then sold the coins to the European agency houses and leading *shroffs*. Within a year of the end of the war, specie was moving from Madras back to Bengal because of Tipu's payments of treasure.⁶⁴

⁶² Madras Gen. Journ. 1790/91, entries to close the year's accounts.

⁶³ Herbert Oakeley, *Some Account of the Services of Sir Charles Oakeley* (London, 1829), *passim*.

⁶⁴ Madr. Treas. Journals, 1792/93 and 1793/94, sundry entries, e.g., Sept. 30, 1793, shipment of star pagodas, Mysore pagodas, and gold mohurs to Bengal,

Long before Cornwallis' departure, the "country" trader George Smith remarked that the governor-general would go home victor over the two great enemies of his country in India "corruption and Tipu Sahib."⁶⁵ Although few would now consider Smith a false prophet, it should never be forgotten that both corruption and Tipu lived on after 1793. Cornwallis' great achievement was the virtual elimination of corruption from the Bengal civil service. It lived on, though somewhat circumscribed in scope, in the Bengal military service.⁶⁶ The provision of more efficient methods for the payment of Company servants' fortunes in London through the Company's securities tended to discourage private enterprise and adventure in Bengal. When the thirteen hundred Company servants ceased their private trading ventures, "country" trade, though still financed at second hand largely with their capital, fell into fewer hands. As independent trading ventures became less numerous, the great Calcutta agency houses more than ever dominated the scene, and there was room for more of them. Fifteen European agency houses, four insurance companies, and three banks were doing business at Calcutta during the last years of Cornwallis' administration.⁶⁷

The nonofficial European community in Bengal in 1793 was undoubtedly more cosmopolitan, more numerous, and more diversified than it had been in Hastings' day. Among the 585 European inhabitants of Calcutta who were not listed as Company's servants may be found 40 Italians, 39 Portuguese, 20 Germans, 6 Netherlanders, 7 Spaniards, 4 Canadians, 2 Americans, 2 Danes, 1 Swiss, and 1 Turk. The diversification of occupation among the 150 Europeans who were not directly connected with either governmental or mercantile activity

entered at 5,00,000 star pagodas. See also D. R., As. Co., B 4, 1797, Michell, Bowden & Stephens to Dan. E. I. Co. *re* large export of silver from Madras to Bengal.

⁶⁵ H. M. 434, Geo. Smith to Dundas, Nov. 10, 1790.

⁶⁶ H. Furber, ed., *The Private Record of an Indian Governor-Generalship* (Cambridge, Mass., 1933) p. 10.

⁶⁷ *Bengal Calendar 1790*, p. 103. For an account of the three banks, see H. Sinha, *Early European Banking in India* (London, 1927).

shows that Calcutta was becoming a more cultivated society. There were 12 teachers, 11 surgeons, 2 portrait painters, 2 architects, 4 hairdressers, 3 jewelers, 12 tailors, 25 cabinetmakers and carpenters, 9 music teachers, 2 bookbinders, 5 printers, 10 auctioneers, 8 shipwrights, 1 chemist, 1 carver, 1 gunsmith, and 1 engraver. The 48 leading merchants and agents needed the services of 38 clerks, 67 captains and ships' officers, and 51 European sailors. The 30 barristers each employed a European clerk, and 71 Europeans held minor posts in government departments. In any case, the number of nonofficial European families who boasted wealth and distinction cannot have been more than one hundred. The excessive number of auctioneers itself testifies to the vicissitudes of European existence in Bengal. Seven years seems to have been the average length of stay for those seeking fortunes.⁶⁸ There are no accurate mortality tables, but one need only turn to Hickey's memoirs if in doubt as to the frequency of funerals in European Calcutta.

A traveler in "up-country" Bengal during Cornwallis' administration could have found Europeans as adventurous as any who had tried their luck in India a quarter-century earlier. Three hundred such men were scattered over Bengal, and others were pushing out beyond the Company's boundaries. Dacca had its half-dozen "country" merchants, Chittagong its little colony of shipbuilders, and further back in the *mufassal* many a European was setting himself up on an indigo plantation because the government had reformed the business in opium and salt.⁶⁹

The spirit of adventure was far from dead among the Company's servants. John Peter Wade, the surgeon who accompanied Colonel Welch's expedition to Assam in 1794, was as colorful a figure as any Company servant out "on the make" under Mr. Hastings. In 1792, Wade, who was hoping to be able

⁶⁸ Eur. Inhabitants, Bengal lists 1793/94; prior lists do not appear to have survived.

⁶⁹ *Ibid.*, lists for Bengal *mufassal*.

later on to build up a private practice of his own in Calcutta, rather resented being ordered off to Assam as "naturalist" to the expedition, but he was reconciled by the thought that "some diamond business" might be done there. He had already carefully put down on paper all the information to be had about diamonds from his friend Francis Fowke and from Machorro, one of the Portuguese-Jewish dealers who managed diamond transactions between London and Amsterdam. In January 1793, we find Wade in Assam regretting that there were no diamond prospects "as this country is not at all favorable to that business." All the salt in Assam, however, came from Bengal, and he had a promise of 150,000 rupees as commissions on salt, which, as he said, would lead on to still better things. Eighteen months later, armed with a substantial sum saved from Assam, Wade was preparing a bungalow for his "little Scotch Woman" at Purnea while "looking out for a proper spot for indigo works." While planning two sets of indigo works in partnership with a "connection of the Judge's," he wrote to Francis Fowke:

After I become a full surgeon, I shall leave this station, keep my share of the works on certain terms, get appointed to Lucknow or Benares as soon as possible and turn diamond purchaser and perhaps have indigo works, too . . . Tell young Machorro it would be good to send me the annual price current of diamonds, for who knows but I may be placed in a *brilliant* situation sooner than I expect.⁷⁰

Nothing, in fact, save a reconquest of India by the Moguls could deprive the John Peter Wade's and the W. A. Gay's of the opportunity to make their way in India, and nothing save a renunciation by the British Cabinet and Parliament of the Indian adventure could deprive men such as these of the opportunity to enjoy the fruits of their labors at home. European expansion in India was a continuous process, first untrammelled commercial adventure behind the screen of the Company in its capacity as merchant, best seen in this period

⁷⁰ Eur. MSS E 7, item 128, J. P. Wade to F. Fowke, Oct. 17, 1794; cf. item 125 dated "Goahawlee in Assam," Jan. 22, 1793.

at Bombay, second untrammelled business adventure behind the screen of the Company in its capacity as sovereign, best seen in this period in Madras before the war with Tipu, and finally regulated and systematic imperialism behind the thicker screen of Company and Crown in their respective capacities of sovereign *de jure* and *de facto*, best seen in Bengal after 1790. At the close of the eighteenth century, each stage succeeds and overlaps its predecessor with increasing speed, but the advance of regulated imperialism does not destroy free and untrammelled business enterprise carried on by the individual European merchant adventurer. It simply forces such adventurers further and further into the hinterland of the Indian continent.

CHAPTER VIII

TRADE AND POLITICS IN LEADENHALL STREET

ON MARCH 12, 1784, the accustomed calm of the India House in London was disturbed by a most unwelcome intrusion. Bailiffs entered its spacious hallway with a warrant of attachment of the Honourable East India Company's property to enforce payment of £100,000 demanded by His Majesty's Treasury.¹ The startled clerk whom they confronted hastened to summon the Company's solicitor. That gentleman, who knew only too well the intricacies of the Company's financial entanglements with the state, at first assumed the officers wanted the £100,000 still owing the government under the terms of the Act of Parliament passed in 1781. He believed no one at the Treasury would have had the effrontery to ask for arrears of customs duties, for the Company had already had assurances that customs payments could be postponed. It was only after much acrimonious discussion that he finally discovered that the bailiffs had been sent to collect £100,000 toward His Majesty's military expenses in the East Indies during the American War. Since the officers flatly refused to leave, the solicitor was obliged to send for Sir Barnard Turner and Mr. Thomas Skinner, sheriffs of London. As both these gentlemen were not immediately available, some hours passed before the bailiffs were finally ousted from the Company's premises. At their next meeting, the Court of Directors drafted letters thanking Sir Barnard Turner and Mr. Thomas Skinner for the trouble they had taken in coming in from the country at the solicitor's request. In these, the directors expressed their hope for a strict enquiry into all aspects of the affair,

¹ Corr. Mem. 29, Mar. 12, 1784, account of the sheriff's officers taking possession of the India House.

and concluded, "The Court cannot but feel for the indignity offered to the Company on this occasion."²

This incident occurred at the very time when the various India "interests" anxious to reestablish the Company's credit were marshaling their forces to assist Henry Dundas and John Robinson in the campaign to win the ensuing General Election in the cause of William Pitt.³ We are not concerned here with the story of their success or with the encouraging statements of the East India Company's position laid before the House of Commons prior to the passage of Pitt's India Act.⁴ What we wish to examine is the real state of the patient for whom that act prescribed. For this purpose, we must go behind Parliament and enter the labyrinth of the East India Company's finances where, as has been truly said, "Millions upon millions, and crores upon crores appear to vanish like Chinese shadows leaving but a remembrance behind."⁵ On doing so, we are at once struck with the English tendency to preserve the forms of private enterprise. While the Dutch company was again and again resuscitated by direct loans from the state, the public treasury's support of the English company was always in form indirect and often concealed from public view. For this reason, it is somewhat misleading to think of the English company as having already passed through bankruptcy in 1772/73.⁶

We cannot understand the realities behind the forms of private enterprise unless we understand those forms and the

² Misc. 27, secretary's letters to Sir Barnard Turner and Thomas Skinner, Mar. 15, 1784.

³ H. Furber, "The East India Directors in 1784," *Journal of Modern History*, V, 479-495.

⁴ Corr. Mem. 29, Report to House of Commons, May 31, 1784. For a full account of the part played by the various India "interests" in the political struggles of the time, see C. H. Philips, *The East India Company 1784-1834* pp. 23-34, and also C. H. Philips, "The East India Company Interest and the English Government, 1783-84," *Trans. Royal Historical Society*, 4th series, XX, 87.

⁵ William Playfair, *Strictures on the Asiatic Establishments of Great Britain*, pamphlet (London, 1799).

⁶ Cf. A. Mervyn Davies, *Clive of Plassey* (New York, 1939), p. 480.

reasons why men sought to preserve them. In 1783/84, the East India Company still operated as a private corporation, but it could not pay its bills from day to day without the connivance of the public treasury.

During the Fox-North administration, it was public knowledge that the East India Company was so hard up that it could not even pay its tradesmen in cash.⁷ Its plight was so notorious that even John Bourne of Newington Butts, otherwise unknown to fame, was moved to send to the Court of Directors a draft of an India Bill which he made up himself.⁸ What was not public knowledge was that the Company's true condition was far worse than appeared to be the case in the statements released to the public. After Fox had been defeated, the directors prepared elaborate reports for the House of Commons which served as a basis for Pitt's India Act. In these, expectations of improvement were held out which proved to be wholly illusory. Members of the House of Commons did not have an opportunity to read the letters which were constantly being exchanged between the Company and the under-secretaries at the Treasury. These were requests for permission to accept bills of exchange amounting to millions of pounds in excess of the sums authorized by statute, and continuous pleas for indulgence in the nonpayment of customs duties.

In the spring of 1785, the Treasury was still condoning the nonpayment of duties due from the East India Company which were already two years in arrears. In May, the directors wrote that they could pay £500,000 to the Treasury, but asked for a further respite on £500,000 which had been owing since December 1, 1783. In August, they asked permission to accept for payment £1,200,000 of bills of exchange in excess of the statutory limit. They confessed apologetically that £1,000,000

⁷ Misc. 27, secretary's letter to Duke of Portland, July 30, 1783, demanding £80,008 due from the King for saltpeter, because the Company "have been obliged to make advances in part to their tradesmen and owners of ships with bonds." See also letter to Lord John Cavendish, July 17, 1783.

⁸ Corr. Mem. 29, India Bill suggested by J. Bourne.

of this had not been included in the liabilities mentioned in their public reports. The owners of these bills were the men who had joined in Hastings' scheme of 1783 for sending private goods home at the Company's risk and expense. The directors had previously condemned this project and had even threatened to stop payment on the bills, but they now wrote that they felt obliged to accept them.⁹ Their behavior shows how easily Calcutta could hold Leadenhall Street at its mercy. Pressure was probably being exerted on the Court by prominent holders of these bills who had returned to England and were anxious for their money. Some idea of the Company's straitened circumstances a year and a half after Pitt's victory at the polls may be gained from the directors' refusal to pay these bills until December 1786 because, as they expressed it, "even under the increased extent of the Company's sales and every expected aid, any protraction in arrival of our ships might make payment impossible."¹⁰

At this time, the Company was dependent on indirect subsidies both from the state and from the owners of East India ships who were obliged to do without the immediate payment of their charges for "Freight and Demurrage" in the same way that the Treasury was obliged to postpone receipt of customs duties. The only difference was that when those of the Company's directors and proprietors who happened also to be owners of the Company's ships refrained from exacting the freights due them they charged the Company interest on the unpaid balances.¹¹ The one other sure resource which the Company then had for expanding its credit was the right to sell £1,207,557.15.0 in 3 per cent annuities guaranteed by the Exchequer. In 1784, the King still appeared on the East India Company's books as a debtor to the extent of £4,200,000. In theory, His Majesty had, as a result of advances made to

⁹ Misc. Let. Rec'd 76, Steele to Court of Directors, May 11, 1785; Misc. 28, memoranda to Treasury, Aug. 10, 1785.

¹⁰ Misc. 28, letter to G. Rose, Dec. 15, 1785.

¹¹ Items of account with owners of each ship in the Home Ledgers and Journals 1783-1793.

him by the Company during the first half of the eighteenth century, become indebted to the Company for that sum. After 1750, the Company wanted its money back, and, by 1783, the Court of Directors had already with His Majesty's permission borrowed and spent £2,992,445.5 supplied by individuals who, for the sake of the royal guarantee of their principal, were willing to lend money to the East India Company at 3 or 3½ per cent. In fact, therefore, the so-called "East India Annuities" had become a device to create credit for the East India Company. After 1784, the Company never secured funds by actually selling these annuities. The Court of Directors could borrow money at the Bank of England by mortgaging their right to sell the balance of these annuities.¹² It was, however, obvious at the end of the year 1785, that the Company could not carry on merely by postponing payments of accounts and borrowing on the security of the annuities. All those interested in keeping the Company's vast and intricate mechanism in working order were compelled to find some new resource.

Fortunately for the empire-builders anxious to be paid at home for their political and military achievements in India, the prospects of profit from the Company's expanding trade with China were particularly bright. There is no doubt that Pitt's Commutation Act which provided for a drastic reduction in customs duties on tea was a measure of fundamental importance. It enabled the East India Company to engross the lion's share of the China trade. Since, in the Company's accounts, India and China affairs were conveniently lumped together, public attention was diverted from too close an examination of matters which concerned India alone. Hence an atmosphere of confidence was created in which investors

¹² Transactions concerning the "Annuities" appear on the Home Ledgers and Journals under the headings *re* the "King," "Money Borrowed," "Annuitants 3%," and "Annuitants 3½%." The Exchequer paid the Company 3 per cent on the whole £4,200,000 but the Company paid 3½ per cent on £1,995,665 of the £2,992,440.5.0 which they had borrowed of individual annuitants and spent before 1784. When the balance of the £4,200,000 was mortgaged as security to the Bank, the Company paid the Bank 4 per cent on the loans.

were persuaded to pour £4,180,000 into the East India Company's coffers in return for new issues of stock and sterling bonds.¹³ Very little of this £4,180,000 went to purchase goods or silver for export. Most of it passed directly from the pockets of the investor to the pockets of the owners of the Company's India bills of exchange.¹⁴

With the assistance of the "new money" thus raised, the Company carried on during the decade with which we have been primarily concerned. In order to estimate the Company's achievement as a corporation trading with India during this decade of peace in Europe, laying aside for future consideration the problems of *national* gain or loss, we must obviously view with great skepticism parliamentary pronouncements upon Indian finance. The King's ministers themselves, including Dundas who was responsible for the government's India policy, often did not possess accurate information. They depended not only upon Bengal, Madras, and Bombay books of account, the nature of which we have already examined, but upon estimates for future years which were seldom, if ever, couched in a pessimistic vein. The ordinary member of Parliament was accordingly bemused by sets of Indian figures in which political and commercial accounts were so inextricably bound up together as to defy analysis. It was a rooted belief of Philip Francis that figures emanating from India could be made to tell any story the ministry chose.¹⁵ The Indian accounts provided an inexhaustible reservoir of ammunition for the contending hosts of pamphleteers anxious to defend or to condemn the government of British India as carried on by the Company under the aegis of Pitt's Board of Control.

¹³ The sum of £2,980,000 was paid in for new stock; £1,200,000 was borrowed on bonds.

¹⁴ Cf. George Anderson, *A General View of the Variations which have been made in the Affairs of the East-India Company* (London, 1792), p. 51.

¹⁵ Cf. Francis' speeches *Parl. Hist.* XXVI, 160, or XXVII, 566. "He remained," Mr. Francis said, "fixed in opinion that East Indian estimates might be so cut and contrived as to be made capable of supporting any assertions, however glaringly monstrous or absurd."

If we lay aside the Bengal, Madras, and Bombay accounts, we have a better opportunity of discovering what the Company received for the sale of goods brought from India and what portion of the Company's expenditures were incurred on account of India and not on account of China. In any case, we cannot attain a mathematically exact result. It is utterly impossible completely to separate Indian from Chinese account. From a commercial standpoint, the English even more than the Dutch thought of the East Indies as an indivisible economic unit. While the Dutch often distinguished between *Voor-Indie* (India proper) and *Achter-Indie* (Malaya and China), the English seldom did so. As a United Company of Merchants of England trading to the *East Indies*, the English company brought its goods to account without classifying each item according to its origin. The Company's accounting system had grown up during at least a century.

The clerks who drew the accounts from the subordinate ledgers into the master set of home ledgers and journals probably did not themselves fully understand the method they used in balancing their books. For this reason, the master set of home books which has survived is not of as much value to us as it might be. It is perfectly clear, for example, that the amounts representing "Profit and Loss" standing on the subordinate ledgers known respectively as the "Calico," "Drugs and Chinaware" and "Tea" ledgers were brought into the main set of books at infrequent intervals. Years might pass before such items were brought to account, a practice which thoroughly vitiated the "Profit and Loss" account standing in the main books.¹⁶ Beyond that, this master set of books is shot through and through with a host of comparatively trifling debit and credit items arising from transactions between the Company and the owners of its ships. Consequently the master set of ledgers and journals is a more accurate index of expenditures than of

¹⁶ Home Ledgers and Journals, "Profit & Loss" pages for each year 1779/80-1792/93.

receipts and must be checked against the available printed statistics of the Company's activities.

By contrasting net receipts from sales with gross expenditure allocable to India during ten trading seasons 1783/84-1792/93, we obviously ignore certain items which usually appear in a commercial account. We have made no attempt to analyze assets and liabilities "afloat" at either end of the decade, to calculate gains and losses on goods sold in India, or to consider separately losses from shipwreck. To do so would unnecessarily complicate the issues involved, as we wish to know simply what the Company took in and paid out in Leadenhall Street over this ten-year period. The figures for receipts from sales of "India," as distinct from "China," goods show that the Company received £21,077,443 from this source.¹⁷ By charging India with half of the Company's fixed charges at home, such as rent, legal expense, salaries, and the like, and with the whole of the charges applicable to India alone, such as military stores, together with the amounts paid on account of bills of exchange drawn in India, customs, freight, and demurrage, "charges merchandize," and cost of silver and goods purchased for export to India, we arrive at £24,029,532 as the amount of expenditure. This amount includes half the amount of interest paid the Bank of England and owners of the Company's sterling bonds. It does not include the deficits incurred on account of the Company's settlements at St. Helena and at Benkulen in Sumatra, but these may be considered as offset by the Company's receipts from duties on "private trade" carried on its ships. The Company was therefore at least £2,750,000 in the red on the India trade, even if we forget for the moment that the India goods which it sold in London were bought in India with borrowed money. Nevertheless, the investors in India stock received during this decade £3,129,155 in dividends.¹⁸ If

¹⁷ See statistical tables in Appendix for details as to the manner in which these figures were compiled.

¹⁸ Home Ledgers and Journals, 1783/84-1792/93, amounts paid to "Adventurers for the Principal Stock."

earned at all, this dividend can only have been earned on the China trade, which during this decade showed an excess of roughly £5,000,000 of income above expenditure.¹⁹

If we consider the Company as a private corporation trading with India, it was certainly insolvent, and there is grave doubt as to its solvency even if the gains on the China trade are taken into account. The official balance of "stock per computation" made up as of March 1, 1793 itself showed a deficit of £4,144,592. If we cull from it the items representing dead stock and bad debts, that deficit increases to £5,359,433. If we should still further scale down the value of goods lying in warehouses unsold, standing on the books at £4,263,441, a further loss would appear.²⁰ In other words, the owners of East India Stock could presumably have liquidated their vast concerns without going very deeply into the red, but they could not have recovered either the nominal or the actual amount of their investment. On March 1, 1793, that nominal amount stood at £5,000,000, the old capital of £3,200,000 supplemented by £800,000 raised in 1786 at £155 per cent, and £1,000,000 raised in 1789 at £174 per cent. The actual amount of capital invested by the Company's proprietors, as of 1793, can never be ascertained. The holders of the two issues of new stock had, of course, paid £2,980,000 for their shares. The original owners of the old stock were supposed to have paid £2,800,000 for it at the beginning of the century.²¹ The owners in 1793 had bought at varying prices. As the stock averaged about £150 a share during the 1780's, their investment may be reckoned at approximately £4,800,000. The members of the Company's Court of Proprietors in 1793 must therefore have valued their holdings at £7,780,000, on which they were receiving in dividends £400,000 or approximately

¹⁹ See data in Appendix; also Earl H. Pritchard, *The Crucial Years of Early Anglo-Chinese Relations 1750-1800*, p. 398. Pritchard calculates the profit on the China trade at £5,065,330 for this decade.

²⁰ Parl. Paper, no. 17, ordered to be printed Feb. 4, 1793, "An Account of the Stock per Computation of the East India Company, on the 1st of March, 1793."

²¹ George Anderson, *op. cit.*, p. 23.

5-5½ per cent. If we think of this investment as wiped out in the event of the liquidation of the Company, we must also think of the investment of at least £6,000,000 in the Company's India bonds as also wiped out, for the holders of these bonds could not, in that event, have received a penny in England. They would have been forced to attempt to govern India themselves in an effort to protect their investment.

Calculations of this kind merely reinforce the truth that, in so far as its relationship to India was concerned, the Company in its corporate capacity was simply a tool used by groups of individuals who cared not a whit what the balance sheet looked like so long as their private ends were served. These groups were never distinct, for it was a rare individual who belonged to only one of them. The various India "interests" may be said to fall into four distinct categories: first, the Proprietors of East India Stock; second, the directors and those closely associated with them in making appointments and in buying and selling on the Company's behalf; third, the "Nabobs" and other "returned" Anglo-Indians; and, finally, the "shipping interest." We do not propose to describe here in detail the close oligarchy of directors, their elaborate organization in committees, and their system of awarding patronage in an age when many members of the governing class had sons, relatives, or friends "breeding" to India. If a directorship was worth its reputed £10,000 a year, the fifty-five individuals who were in and out of the "Direction" during the years 1783-1793 shared at least £2,400,000, for twenty-four of them were serving in that capacity in any given year.²² Neither do we propose to discuss the activities of the returned Anglo-Indians who were themselves fast becoming a hereditary caste united by a determination to keep the Company alive. We wish to give our chief attention to the groups which stand

²² For a detailed account of the home administration of the Company and its system of awarding patronage, see C. H. Phillips, *The East India Company 1784-1834*, pp. 1-79; cf. Sir William Foster, *John Company* (London, 1926), *passim*, and C. N. Parkinson, *Trade in the Eastern Seas 1793-1813*, chapter i.

more in the background, the Proprietors of East India Stock, and the "shipping interest."

In law, the Proprietors of East India Stock as a body corporate were the East India Company, but the steady increase of state control over their Company had gradually shorn them of their power. After Pitt's Act, the real struggles over the major issues of India policy were transferred to Parliament. Peers and prominent politicians who had once had private motives for possessing votes in the Company's Court of Proprietors no longer had any special interest in owning stock. Although several hundred voters might, at rare intervals, turn out to discuss an important issue, most of the meetings of the Company's so-called General Court must have greatly resembled the annual meetings of the great corporations of our own time. A handful of stockholders appeared in order to go through the legal forms needed for the exercise of the powers remaining vested in a General Court. The fifteen hundred shareholders were therefore an inarticulate body, but they do not deserve to be ignored in any study of the Company's affairs. As East India Stock became a more and more gilt-edged investment with its dividend virtually guaranteed by the state, the stock was more heavily dealt in, so heavily in fact that four thousand individual men and women were owners of East India shares at one time or another between 1783 and 1791. An examination of these holdings indicates that significant changes in the corporate structure of the East India Company were then taking place.²³

When we look into the Company's stock ledgers, we quickly discover that the Company's corporate structure differed greatly from that of a modern corporation. We would normally

²³ General Court Minutes 7, *passim*; B. E. R. O., E. I. Stock Ledgers 1783-1791. In order to ascertain the number of shareholders at any given moment, the few existing printed lists of proprietors qualified to vote must be consulted at the India Office. These give the following figures: 1773, 2,150 names; 1795, 1,500 names; 1806, 1,800 names; 1825, 2,100 names. For a full description of the Company's stockholders and their activities in this period, see H. Furber, "The United Company of Merchants of England Trading to the East Indies, 1783-1796," *Economic History Review* (London), X, no. 2, 138-148.

expect to find most of the stock closely held in large blocks by the directors and their friends. What we do find is that the stock was very widely held, that the fifty-five directors never owned more than £176,000, or 3 per cent of the stock, and that the thirteen men who served as Chairman or Deputy-Chairman in the 1780's held only £36,000 between them. A large holding of £25,000 or over in India Stock, such as that of Edward Lascelles, or of John Harman, the banker, was decidedly exceptional. The normal holding of stock was £1,000-£2,000, enough to give one vote. The inducements for owning £3,000 to have two votes, £6,000 to have three, or £10,000 or more to have four were certainly not strong. The East India Company also differed from a great modern corporation in having only a handful of charitable, educational, or religious institutions among its shareholders, although there is some evidence that other corporate groups were becoming interested in buying India Stock at the close of the eighteenth century.²⁴

The changes which were taking place among British holders of India Stock were what might normally have been expected. The London merchants and shipowners remained the dominant group in the Court of Proprietors, but their position was being challenged by increasing numbers of Company servants, many of whom were Scots. It was certainly a common practice for the Company's servant, on returning from India, to buy £1,000 - £2,000 of stock, but there is no evidence whatever that the returned Company servant ever entrusted the bulk of his fortune, whether large or small, to the Company at home.

²⁴ B. E. R. O., E. I. Stock Ledgers 1774-1796. The amount held by directors who did not belong to the old established India "interests" was not larger in individual cases than that of the older group. There is no evidence, for example, that the Barings invested heavily. Sir Francis Baring's balance never was more than £4,000, and averaged £1,500-£2,000 from 1776 to 1796. His father never increased the £1,000 which he originally bought in 1776. See Ledgers for 1774-1783, f. 45, 46; 1783-1791 f. 38; 1791-1796, A-D, f. 36. For large individual holdings, see Ledger 1774-1783, f. 381, 504; 1783-1791, f. 384, 373, and 503. A purchase of £5,000 in 1795 by the Governor and Company of the Bank of Scotland seems to indicate the beginning of a new policy on the part of corporate bodies. See Ledger for 1791-1796, A-D, f. 59.

One must assume that he was usually so happy finally to receive payment on his long overdue bills of exchange at Leadenhall Street that he hastened to reinvest elsewhere and often bought government securities. The safer India Stock became, the more it attracted single women, widows, clergymen, and their like who had a few hundred pounds to invest. The stock ledgers clearly show that the numbers of this group were steadily mounting in the 1790's. The composition of the British group among the East India proprietors was less and less influenced by political considerations. By 1792, the Stock was traded in like any other sound stock on the Exchange and the dealings in it have no political significance.²⁵

When we turn to the pages recording the buying and selling of India stock by foreigners, we quickly notice the growing power of London as compared with Amsterdam. In the mid-eighteenth century, Dutch capital poured into the English East India Company. In 1773, £941,000 of the nominal capital of £3,200,000 was foreign owned, and most of it was Dutch.²⁶ This Dutch capital was drawn both from the great burgher families and from the Portuguese-Jewish community in Amsterdam. These holdings were naturally hard hit by Dutch participation in the American War, but they recovered somewhat with the return of peace. In July 1791, the Portuguese Jews, among whom the Da Costas, De Castros, De Pintos, Pereiras, Nunez, Fernandez, Salamons, and Texeira de Mattos were the most prominent families, still held £250,000 of India Stock, and their burgher compatriots owned £550,000. The real drop in Dutch holdings occurred during the early years of the French Revolutionary Wars. The stock ledger covering the years 1791-1796 records sale after sale of Dutch burghers' holdings. There was a similar, though less marked decline, of Portuguese-Jewish names. The Portuguese-Jewish com-

²⁵ B. E. R. O., E. I. Stock Ledgers, 1783-1796, folios recording transactions of professional dealers.

²⁶ Armand B. Dubois, *The English Business Company after the Bubble Act* (New York, 1938), p. 308, note 2a.

munity of Amsterdam, however, protected itself by having a large stake in London as well as in the Netherlands. Roughly half the dealings in India stock carried on in London were handled through Portuguese-Jewish houses which acted on behalf of British as well as foreign clients. In all probability the concentration of the diamond trade in fewer hands increased the influence of these Portuguese-Jewish dealers in the Company's affairs.²⁷

Throughout the late eighteenth century approximately £100,000 of English East India Stock remained in the hands of foreigners who were not of Dutch origin. Nearly all these men and women lived along one of the old trade routes from the Italian cities to Flanders. When making the *grand tour*, a director or "Nabob," had he wished to meet fellow-proprietors of India Stock, could have called on Graziado Vita Fano at Pisa, the house of Recanati at Leghorn, and Jean Charles Pallavicini at Genoa. In Switzerland, he could have met such families as the De Buren and Assenfeld of Berne, the Pourtalès of Neufchâtel, the Verrey of Lausanne, and the Bonet, Boissier, Bonnafus, and Chapeau-Rouge of Geneva. In the Rhineland, there were only two owners of India Stock, Christian Von Stockum at Frankfurt and the "Right Honourable, Frederick William, Comte d'Hompesch" at Cologne, but in the Emperor's Flemish dominions lived one hundred twenty India proprietors, forty of them from Brussels, Antwerp, Ostend, Malines, and Ath. There is a bare possibility that the ancestors of a few of these people originally bought English India Stock as a hedge against the decline of their own prospects on account of the decay of the overland trade to India through the Levant, but most of them undoubtedly bought from motives similar to those which influenced the Dutch. They and the sprinkling of shareholders from the Hanse towns, Danzig, and Berlin add a touch of color to the otherwise drab pages of the stock ledgers. Directors and sea captains, "Na-

²⁷ B. E. R. O., E. I. Stock Ledgers, 1783-1791, data compiled from computations of Dutch holdings and professional dealers' transfers.

bobs" and impecunious widows alike, might have been surprised to learn that they moved in the same company with "Her Excellency, Lady Frédérique Juliane, born Baroness von Wrede of Berlin, wife of His Excellency Baron de Heinitz, Minister of State to His Prussian Majesty" and Alvisè Zenobio "a noble Venetian and Count of the Holy Roman Empire at present of Pall Mall, London."²⁸

Of all the "interests" which battened upon the East India Company, the "shipping interest" had the most to lose from a policy of drastic reform. It presented the fairest target to politicians. It was itself a congeries of "interests," among which the most powerful were concealed from public view. In the foreground stood the owners of East India shipping, the men who owned the Company's ships and who were closely allied with the three or four shipbuilding firms operating yards on the lower Thames.²⁹ Behind them, were the "Commanders and Officers" of the Company's ships whose primary concern was the exploitation of their "privilege" of private trade. Behind them in turn were numberless individuals who had directly or indirectly purchased a stake in that "privilege" of private trade.

Indiamen outward or homeward bound were always an inspiring sight, but few of the curious who thronged Dover cliffs to watch them beat up or down Channel thought of the human realities and rivalries behind their stout bulwarks and billowing sails. During the ten trading seasons 1783/84-1792/93, the Company used 120 ships to maintain an average of thirty departures from England per season.³⁰ During these years, the old 755-800-ton ships gave way in the China trade to the new 1,100 or 1,200 tonners, twenty of which had been built by 1793. For the India trade, the 755-800-ton ships were retained because larger ships could not navigate the Hugli.

²⁸ B. E. R. O., E. I. Stock Ledgers, 1776-1796, entries in names of foreigners.

²⁹ C. N. Parkinson, *op. cit.*, chapter vi.

³⁰ Charles Hardy, *A Register of Ships employed in the service of the honorable the United East India Company from the year 1760 to 1810* (London, 1811), pp. 102-160.

Whatever their size, all East India ships were divided into "sixteenths" or "thirty-seconds" for the purposes of ownership. This was simply a device to enable the owners to spread their risks. Few were so foolish as to try to own a whole ship, but many were anxious to own just enough shares to control a ship or a group of ships. This practice makes it impossible for us to calculate with accuracy the number of persons who owned fractional shares in East India ships, although it is obvious that, if it cost £20,000 to put a 755-ton Indiaman in the water, the total amount constantly invested in East India ships must have reached £2,000,000.³¹ There were apparently a considerable group of persons, analogous to the widows, clergymen, and small investors among the Company's proprietors, who held scattering "sixteenths" in East India ships, but they were dominated and to a large extent crushed by the wealthier "owners." Every ship had a "husband" or managing owner whose business it was to protect his own interests together with those of a group closely associated with him. In 1786, it was said in an anonymous paper on the Company's shipping:

The Husbands, Captains, and Tradesmen get fortunes; many of the individual owners barely get legal interest for their money. . . . A merchant might as well contract with a tallow-chandler for perfumery or with an ironmonger for table linen as the East India Company contract with the old managing owners of ships.³²

In every ship there was a dominant individual or small group who were as the phrase went "entitled to the bottom." On rare occasions a disgruntled owner attempted to attack this group. One George Thompson, who owned five "sixteenths" in the *Earl of Dartmouth* and thought he had another five "sixteenths" safely lodged in the hands of friends, protested

³¹ Court Book 93, report on the expense of building an East India ship fit for sea, May 5, 1784. See also N. L. S. Melville MSS, 1066, f. 1, letter of Donald Cameron to Dundas, Jan. 23, 1786, reckoning capital in E. I. ships at £2,000,000.

³² B. M., Add. MSS 38,409, f. 69, paper on E. I. shipping, Feb. 10, 1786.

violently when a man named Willson tried to bribe Thompson's friends to part with their "sixteenths."³³

Although "husbands" and managing owners of East India ships might fight among themselves, they presented a united front against attack from without. Too much was at stake to enable them to yield easily. The group "entitled to a bottom" possessed vast power. With the captain, they employed the crews and they let the contracts for the building of a new ship after the old one had completed her prescribed four voyages.³⁴ During the eighteenth century the captain of an East India ship had become a magnate. By usage, he had acquired the right to sell his extremely lucrative position or to pass it on to his son or nephew in precisely the same manner that offices were sold under the *ancien régime* in France. On his retirement, he often became a "husband," and throughout his career he acted in close association with the "husband" of his ship and often owned shares in East India ships himself.

The whole system presented fair game for attack but by 1793 it had hardly begun to yield under the combined onslaught of government and public opinion. Dundas at the Board of Control led the fight. He attempted to build up a faction opposed to the "shipping interest" in the Court of Directors. He fostered a group of new "husbands" led by James Fiott and Anthony Brough who offered to build and freight ships more cheaply than the "old owners." Against them, the "old owners" used every atom of their power. When Brough went to employ shipwrights on the Thames, every yard was closed against him, and his efforts to build India-men at the "outports" met with indifferent success. The "old owners" fought tooth and nail in the Court of Proprietors for the maintenance of exorbitant freights and were only slowly

³³ Misc. Let. Rec'd 76, George Thompson to Court, Mar. 31, 1785.

³⁴ The number of voyages was increased to six for the China ships on Sept. 24, 1788, and the fourth voyage rule was suspended for all ships on Mar. 24, 1790. See Gen. Court Minutes 7.

giving ground in the early 1790's.³⁵ Not until 1796 was the system of "hereditary bottoms" smashed. If we look at a list of "husbands" for 1792/93, we find that the power of the "old owners," represented by a small group of "husbands," was still strong. An increasing number of new names among "husbands" gives evidence of the new men who were trying to break in with the support of Dundas and his friends at the Board of Control. The *Melville Castle*, 800 tons, David Wedderburn, husband, Philip Dundas, master, outward bound on her maiden voyage for Bombay and China in 1786/87, was herself testimony to the new order of things. Among the fifty "husbands," there were probably fifteen who belonged to groups of owners who could rightfully style themselves independent. There were ships like the *Warren Hastings*, Mrs. Christian Larkins, husband, Thomas Larkins, master, a combination which suggests ownership by one family. At the end of six or seven seasons of struggle, Brough and Fiott seem to have controlled only a dozen ships in their fight against the "old owners."³⁶

Neither Dundas nor the East India interests which he called to his aid in the fight against "hereditary bottoms" and all their attendant evils desired to attack those aspects of the "shipping interest" which were not so well known to the public. Although all might thirst for the blood of the "old owners" and all might desire to deprive the captains of the privilege of treating an East India ship like a rotten borough, no one thought of disturbing the time-honored methods of carrying on the so-called "privilege" trade. This is not astonishing, for Dundas drew his chief support from active and retired Company servants who were themselves beneficiaries of the privilege-trade system then existing. Under the spur of the free-

³⁵ Gen. Court Minutes 7, May 9, 1792. For an account of Dundas' struggles with the "shipping interest," see C. H. Phillips, *op. cit.*, chapters iii and iv, and C. N. Parkinson, *op. cit.*, pp. 175-177.

³⁶ This conclusion is reached by listing the ships registered by Hardy with their "husbands" for the years 1783-1793; see Hardy, *op. cit.*, pp. 109, 119. "Webster" is a misprint for Wedderburn, cf. later entries.

trade theorists, they were happy to advocate increased allowances for private-trade on Company's ships, but this could merely supplement the captains and officers' privilege. In order to understand what "Commanders and Officers" privilege trade meant in the second half of the eighteenth century, it is necessary to separate theory from fact. In theory, "Commanders and Officers" privilege was what it purported to be, an opportunity for these persons to fill a stated number of cubic feet outwards and homewards with goods of their own. This allowance had always been greater outwards than homewards because the Company needed more space homewards. The privilege was accorded as a matter of grace, and the Company's own assortment of goods was of course presumed not to be inferior to the officers'. The facts were far different and we cannot understand what actually took place unless we treat the outward and homeward "privileged" cargoes separately.

On the outward voyage, "privilege" trade corresponded more closely to the Company's original intent. The captain was allotted 56 tons, 20 feet; the first mate, 5 tons; second mate, 4 tons; third mate, 3 tons; fourth mate, 2 tons; and fifth mate, 1 ton. The purser and surgeon had 3 tons each, and the surgeon's mate, boatswain, gunner, and carpenter, 1 ton each. Below them, the midshipmen, quartermasters, carpenter's first mate, calker, armorer, cooper, sailmaker, stewards, and cooks were entitled to 10 feet each.³⁷ Many of these men probably sold their privilege for a pittance to their seniors or acted on behalf of others. The captain, mates, purser, and surgeon were the only "privilege" traders who counted. In addition, captain, mates, and purser had their fingers in the pie of the ship's supplies. The captain fed the passengers, who had all paid him handsomely for their passages, at a substantial profit. He, together with purser and mates, profited out of the business of feeding the crew and the Company's military recruits. The latter, collected by professional con-

³⁷ Misc. 28, secretary's letter to Lord Walsingham, June 26, 1785.

tractors from the slums of Irish, Scottish, and English towns, were brought like cattle to Gravesend where they were examined for height and soundness and stripped of their verminous clothing. Supplied by the Company with three good shirts, two pairs of breeches, two pairs of shoes, two pairs of trousers, stockings, and a hat, they were distributed through the outward bound fleet, but they were often in rags again before their ships left the Channel. Captains, pursers, and mates seldom had business of this kind on a homeward voyage, for most of the military recruits died in India and the crews were so depleted that lascars had frequently to be used to get a ship safely home again.³⁸

There is no reason to suppose that the great majority of captains, pursers, mates, and surgeons did not use their outward "privilege" for their own goods. By using it to the full, they ousted all foreign competitors from the business of supplying "Europe goods" to the East. In 1789 they had so glutted the market for glassware, clocks, small hardware, and other European knickknacks that the trade languished for a season or two. The captains alone appear to have had a monopoly of the trade in anchors, grapnels, and gear for the "country" ships in the East. In order to draw the proceeds of imports into India to its Indian treasuries, the Company offered bills of exchange on the Court of Directors to the officers of its ships. A comparison of outward invoices with "certificates," as this type of bills of exchange was called, shows that captains and officers seldom sank the whole proceeds of their outward "privilege" in certificates. They invested the remainder in other forms of remittance to Europe.³⁹

The outward "privilege" also served as a basis for "coun-

³⁸ Misc. 28, statement on lascars, May 19, 1785; Court Book 93, resolution of Sept. 10, 1784, authorizing Samuel Bromfield and Edward Hart to raise recruits at 3 guineas each, lads under 20 to be at least 5 ft. 3 in., and youths under 36 to be 5 ft. 6 in. tall; cf. Corr. Mem. 30, paper on inspection of recruits, 1785.

³⁹ Eur. MSS D 281, papers on Calcutta commerce; lists of values of goods invoiced to India in "privilege" trade; Misc. 28, secretary's letter to Lord Walsingham, June 26, 1785.

try" trading on the part of the captains and officers of Company ships. Precisely how far this abuse of the original purpose of the "privilege" goes back into the past cannot be calculated. It probably existed in the mid-seventeenth century and steadily grew during the eighteenth, until it evoked widespread attention in the 1760's and 1770's. At that period, captains were deliberately "losing the season" for their return voyages to Europe by moving in a dilatory fashion from Bombay to other Asiatic ports, investing and reinvesting their "privilege." There is no doubt that they overloaded their ships with cotton on their own account for China.⁴⁰ These abuses were somewhat checked toward the close of the century, but a list of Company ships' voyages during the 1780's clearly shows a practice of varying a particular ship's voyage so that her captain and officers could avail themselves of differing commercial opportunities. With the building of the bigger ships for the China trade in the late 1780's, this practice could not be carried on to such an extent. Nevertheless, the majority of the Company's 755-800-ton ships continued to vary their voyages. A captain who had gone to "Coast and Bay" for two seasons might go to "Coast and China" for the next two seasons. A careful study of the variations in voyages leads to the conclusion that these variations were slowly lessening when contrasted with earlier practice. When the Company was a purely commercial body, "Coast and Bay," "Bombay," and "Coast and China" were the common designations of its voyages, apart from the one or two voyages annually which included official stops at St. Helena or Benkulen. The building of political empire and the expansion of the China trade gradually broke the old system. With the establishment of a fleet for China only, there came an increase in voyages labeled for "Bengal" only as distinct from "Coast and Bay."⁴¹

⁴⁰ These abuses are described in detail in the *Five Letters . . . to Warren Hastings* (London, 1783), attributed to Joseph Price.

⁴¹ This study of variations in voyages was made by tabulating the voyages of each ship from the data given by Hardy.

Changes of this sort were favored by the group anxious to reform the "shipping interest" by depriving captains of their perquisites.

On the homeward voyage, "privilege" had lost almost all semblance of its original intent. It had been extensively farmed out to third parties. "Commanders and Officers" had, in many cases, become dummies whose rights of "privilege" were bought according to a customary schedule. Precisely how this process of "abandonment of the homeward adventure" took place must remain obscure.⁴² The original force behind it was the desire of Company servants to send choice goods home safely without violating the Company's rules and regulations. In order to escape the greater risks of trusting foreign companies or illicit traders, they were willing to take the lesser risks of paying ship's officers on Company ships lump sums in London for their "privilege." If the Company's ship did not sink, they were sure of having their goods sold in London at the Company's sales under the eye of someone whom they could trust. Officers' homeward "privilege," in the old sense, had had meaning only when ship's officers could themselves command choice piece goods of Indian sellers at the ports where they touched. As the horde of empire-builders spread over the land, the ship's officers were placed at an increasing disadvantage in the competition for cloths. Homeward "privilege" speedily became what might properly be called "English," as distinct from Portuguese or "Ostend" respondentia.

The metamorphosis of officers' homeward "privilege" into respondentia must be thought of as a dual process. On the one hand, the weaker officers were first attacked by the stronger Company servants. The "privileges" of boatswains, sail-makers, carpenters, third mates, and their like were bought out first. Captains' "privilege" was more slowly eaten away, and was seldom entirely destroyed. Captains were powerful

⁴² Eur. MSS D 281, précis of Anthony Lambert's account of the external commerce of Bengal.

enough to hold on to a considerable homeward "investment" on their own account, but they were attracted by the opportunity of spreading their risks which the sale of a larger or smaller fraction of their "privilege" afforded. On the other hand, first the weaker, and later the stronger, Company servants merged their interests with those of the agency houses. At the period with which we are chiefly concerned, it would be rare indeed for an individual European in India to approach directly the officer of a Company ship with a view to buying his "privilege." That would happen only on special occasions such as that on which John Sumner, the opium contractor at Patna, bought the "privilege" of the *Halsewell's* surgeon in order to ship fine piece goods to London to be sold for the "maintenance of a young lady."⁴³ In nearly all cases, the ships' officers concerned would never know the real ownership of the goods sold on their "privilege." The business would all be done through the great agency houses. The lump sums paid the officers would appear as a freight charge on an ordinary respondentia transaction. The Company servant or other European in India would get 2s. 4d. or 2s. 6d. for his invested rupee because of the risks he took. The agency house would collect its commission on the business, and the house stood to lose nothing on such transactions if the ship sank or the London market did not live up to expectations. If the Company servant wished to insure his risks in London that was his own affair.

"Privilege" respondentia was safer than illicit respondentia. The rise in the average London sale amount of "privilege and private" goods from £575,000 annually to £750,000 which occurred in 1787/88 is another evidence of the squeezing out of foreign competitors in this trade.⁴⁴ A larger fleet of India-men could carry a larger amount of "privilege" trade, a fact which did not escape the notice of Isaac Titsingh. Although

⁴³ Gen. Court Minutes 7, proceedings of Mar. 22, 1786.

⁴⁴ Robert Wissett, *A Compendium of East India Affairs* (London, 1802), vol. II, tables of private trade.

the tonnage allowance for homeward "privilege" was a little more than half that for outward "privilege," captains and officers and agency houses did not allow themselves to be much hampered by the prescribed tonnage. The rules were honored in the breach rather than in the observance, and the Company's goods were never treated with the tender care accorded the "privilege" cargo. An East Indiaman, whether outward or homeward bound, was riddled with graft. Pilfering was the rule, not the exception. Boats often slipped alongside in the dead of night to take off a choice assortment of goods smuggled by captain, mates, or purser, on their own behalf or that of someone else. Ships would be ostensibly blown off their course to take refuge in some Irish harbor where the agents of a Cork or Belfast firm would covertly do a bit of business with their captains.⁴⁵ Captains and mates, on stopping at Madeira to buy the Company's wine, often connived with the leading wine merchants to put the Company's wine in "pipes" which gauged many gallons less than the number of gallons written on the invoice. The excess went into the "pipes" shipped on the officers' own behalf. Mates and pursers were all striving toward an eventual captaincy which could only be bought with a capital of £6,000 or more. Midshipmen, who likewise owed their berths to "husbands" or managing owners, usually had higher aspirations and were using their post as an opportunity to desert in India at an appropriate moment. The "guinea pig," a special protégé of the captain taken aboard to oblige some great man in Leadenhall Street, had similar ambitions.⁴⁶

⁴⁵ Misc. 31, secretary's letter to John Gale, Nov. 25, 1789, *re* purser's goods smuggled out of the *Royal Bishop* in the night. At this same time, William Mears, captain of the *Royal Bishop*, was accused of varying his voyage in order to engage in "country" trade on his own behalf. See Aud. Ref. 5, Nov. 23, 1789, letter to Court of Directors from Edward Coles, former governor of Benkulen, vindicating his conduct in allowing Mears to take the *Royal Bishop* on a "country" voyage to Bombay while she was awaiting a pepper cargo at Benkulen.

⁴⁶ Misc. 28, secretary's letter to Newton Gordon Co. of Madeira, Dec. 6, 1784; letter to a woman who petitioned for a midshipman's berth for her son, June 23, 1785; Misc. 31, letter to Scott, Pringle & Co., Jan. 4, 1790.

Homeward "privilege" was the weakest point in the wall of the Company's so-called monopoly of English trade between India and Europe. It was the point at which groups other than those we have here described could enter the citadel. It became the gate for the individual free trader who had hitherto been kept outside the ring of the elect. Dundas at the Board of Control opened the breach for these people by legalizing 3,000 tons of "private" trade on the renewal of the Company's charter in 1793. The more the Company came under state control, the more it was forced to take note of the new economic forces at work within the state. The more Company servants became professional rulers with fixed stipends, the less they remained professional merchants on their own behalf. It is, however, a great mistake to suppose that the Company, representing the interlocking "interests" of proprietors, directors, servants (both active and retired), and shipowners, was unconscious of the dangers which threatened it from without. The view that the East India Company after 1784 did not trade to India and had no Indian commercial policy is quite misleading.⁴⁷ The truth is that the corps of India "interests" who felt they had a vast deal to lose by the opening of the India trade fought a vigorous battle. In the late 1780's they did not perhaps foresee the full consequences of an economic revolution which was to flood India with British goods, but they did realize that the old order was doomed, and they made determined efforts to stave off the evil day. Moribund as it was, the English East India Company did not tamely yield to Liverpool, Glasgow, Manchester, and Adam Smith.

Confronted by the embattled manufacturing and shipping interests of the "outports," the directors of the East India Company realized that they must do two things. They must strive both to increase their exports and to find substitutes for their chief article of import, piece goods, which was immediately under attack. Their exports must be increased in order to prevent a frank investigation from disclosing the

⁴⁷ Cf. C. N. Parkinson, *op. cit.*, pp. 69 ff.

farcical nature of their position as exporters. The directors and the "old guard" among the Company's shipping interest knew perfectly well that the shipowners of Bristol, Liverpool, and Glasgow would never allow the new manufactures to be exported by the East India Company. Beyond that, as defenders of the old order against the new, they quickly discovered that they were bound to oppose the export of the new textiles to India. If they were to defend their monopoly, it behooved them to make their exports of metals to India something more than a gesture. There was absolutely no hope of reviving exports of woollens to India. We consequently find the directors devoting their chief attention to increasing their purchases of tin, copper, iron, and lead with the coöperation of the British dealers in metals.⁴⁸

Earlier in the eighteenth century the East India Company had done little or nothing with tin. Like Japan copper, tin was monopolized by the Dutch who controlled the oriental supply of it. Banca tin was more suitable than European tin for beating into leaves to be burned before Chinese idols. After vainly trying to introduce English tin to the East in the 1760's, the directors abandoned the task as hopeless.⁴⁹ In 1789, they tried again with the full support of the Cornish tin producers led by Nicholas Donnithorne. Cornish tin could be more cheaply mined in 1789 than in 1762, and it was finer metal than Dutch tin. For their first trial, the directors sent out 15,964 cwt. and were pleased to discover that the profit

⁴⁸ The directors did what they could to increase woollen exports to China and Persia. See Abs. of Disp. to Bengal 2, commercial letters of Mar. 25, 1791, para. 52; Dec. 20, 1792, para. 1. The policy of increasing purchases of metals appears to have concentrated this business in fewer hands. In 1783, the directors spread their purchases among several British firms tendering each metal. In 1791-1793, one or two firms seem, in each case, to have cornered the business, probably as a result of collusion with the directors' Committee of Buying. See entries of purchases of metals in Home Gen. Ledgers and Journals, 1783-1793.

⁴⁹ Misc. 31, secretary's letter to R. Gray and William Birch, May 15, 1789. This letter is printed in a pamphlet by George Unwin, *Letters, Remarks, etc. with a view to open an Extensive Trade in the Article of Tin from the County of Cornwall to India, Persia, and China* (London, 1790).

on it was much greater than the profit on silver. In subsequent seasons they refused to be victimized by Mr. Donnithorne's associations. With the aid of the Prince of Wales's representatives in Cornwall, competitive bidding was forced in order to keep the price down to £71 a ton. A trial of 24,000 cwt. in 1790/91 proved that the market was not easily expanded, especially in India, where £1,000 was spent in a vain attempt to sell tin to the small shopkeepers. After 1790/91, the directors never paid for their tin in cash, but borrowed of the Cornish tin producers by giving them bills of credit, a method of procedure which gives an interesting indication of the state of their London treasury.⁵⁰

With tin, the directors really opened up a new line of export; with copper, they merely expanded an old one. In both cases, however, progress was made at the expense of the Dutch. The story of the struggle between European copper and Japan copper for supremacy in India is an epic in itself which we cannot recount in full detail. In that struggle against what had been virtually a Dutch monopoly, the European exporters, whether Scandinavian, English, or French, used every device to expand the market. The coppering of "country" ships was, as we have seen, one of their chief resources. Most of the ships' copper was Swedish in origin.⁵¹ Faced with the necessity of expanding their exports of copper, the directors of the English East India Company chose to place the emphasis on expanding demand in another direction, a direction peculiarly

⁵⁰ Home Gen. Ledger 1789/93, tin entries. The directors attempted to use a similar procedure for their purchases of silver, which they ordinarily bought of Mocatta and Goldsmid or of the Bank of England. See entries regarding silver in Home Ledgers and Journals, and Philip Francis' speech of Mar. 31, 1790 in *Parl. Hist.* XXVIII, 615. Francis ascribed the drop in the price of sterling East India bonds to the Company's plan to purchase silver in Spain with promissory notes bearing 4 per cent interest. This plan fell through because these notes were ruled the equivalent of bonds.

⁵¹ A. N., AJ¹ 234, French E. I. Co. to Charles Herries & Co., May 8, 1787. The French company was anxious to know if the English shipowners were continuing the practice of coppering new Indiamen. For competition between European and Japan copper, see especially A. R. O. B., Souratte 1789, I, secret resolution of Chief-in-Council, Dec. 10, 1787 and A. R. O. B., Bengale 1788, I, Titsingh to Althing, Mar. 31, 1787.

English, in which they could safely become allied with one of the new manufacturing interests in the Midlands.

For centuries, the millions of peasants and artisans in north-eastern India had carried on their petty dealings with each other in terms of cowries, the small smooth shells which lay in myriads on the beaches of the Maldive islands. As custom varied in different regions, anywhere from 2,500 to 5,000 cowries might be thought of as the equivalent of a silver rupee. Because few of those who used cowries extensively ever saw more than one rupee at a time or moved out of the region where they were born, the value of the local cowrie in terms of silver did not greatly matter. Precisely how and when it occurred to Europeans in Bengal that tiny copper coins would be infinitely preferable to cowries as small-change must remain a mystery. Apparently, the suggestion did not come direct from Europe. We first hear of it in Bengal when Johannes Matthias Ross, Titsingh's predecessor at Chinsura, found himself overstocked with copper on his private account at the time of the outbreak of war between Britain and the Netherlands in 1781/82. Ross's good friend Hastings, anxious to save him from ruin, ordered the minting of copper pice, "coins never previously current in these regions."⁵² John Prinsep, another friend of Hastings' and co-discoverer with Alexander Cunningham of copper mines at Rotasgarh, bought Ross's copper for resale to the Bengal government. All three, Hastings, Prinsep, and Ross presumably found the transaction profitable and expedient.

In southern and western India, the Dutch were coining copper "cash" or "dubs" many years before, but it was the introduction of copper coinage into Bengal which brought the matter to the attention of the Court of Directors.⁵³ The

⁵² A. R. O. B., *Bengale* 1788, I, Titsingh to Althing, Mar. 31, 1787.

⁵³ A. R. O. B., *Coromandel* 1789, I, Council Proceedings Jan. 5, 1788. At this meeting, a letter was read concerning the mint which recommended a renewal of the practice of "striking" "cash" at the old standard under which 480 lbs. of copper yielded 190,650 pieces of "cash," 1,920 such "cash" to be the equivalent of one old gold pagoda. The Dutch company reckoned their net

mercantilist consciences of the gentlemen in Leadenhall Street were shocked at the prospect of the development of copper mining in India. Although they were relieved to find that Mr. Prinsep's mines could not possibly produce more than 2,000 *maunds* of ore annually, they determined to make the most of a new opportunity to export more copper.⁵⁴ They were quick to see that wide vistas had been opened up. If the Indians could be persuaded to use copper coins of English origin, the Malays could also use them. In the mid-1780's, the directors were ordering their servants at Benkulen to accept no copper from Bengal as the Company would ship copper for coinage direct from Europe. In 1787 the commercial dispatches to all the Indian presidencies announced a policy of exporting as much copper coin as possible from England to India. Two years later, the directors of the French company, observing the profits made by the English in coining "dubs," urged a similar policy upon M. Moracin at Pondichéry.⁵⁵

Time was required to perfect plans for minting large quantities of Indian copper coins in England, but the directors did not rest until they could supply all the copper needed for their purpose in the form of coins, rather than in "cakes" to be melted up in India. This was accomplished by giving nearly all the business to one copper merchant, Thomas Williams, who was willing to finance the East India Company's purchases himself and to accept long-term interest-bearing notes in payment for his deliveries of coin. On February 2, 1791, a Committee of Correspondence passed a vote "to move the Court that Mr. Williams be desired to deliver at the works of Mr.

return on such a transaction at 133 per cent above the invoice "cost" of 480 lbs. of Japan copper landed at Pulicat.

⁵⁴ H. M. 62, Prinsep to Hastings, Mar. 23, 1780, and Sept. 1, 1780. Abs. of Disp. to Bengal 2, gen. letter of Mar. 27, 1787, para. 214.

⁵⁵ Abs. of Disp. to Bengal 2, commercial letter of Aug. 20, 1788, para. 5; to Bombay 1A, commercial letter of July 31, 1787, para. 3; A. N., AJ¹ 234, French E. I. Co. to Moracin, July 11, 1789; A. N. AJ² 352, Moracin to French E. I. Co., July 25, 1790.

Boulton at Soho near Birmingham with all expedition 100 tons of fine cake copper such as is fit for rolling and coining into small pieces of money, say 150 to the pound.”⁵⁶ By this vote, Matthew Boulton, who had struck coins for the Company as early as 1786,⁵⁷ was not entirely deprived of the opportunity to furnish the metal as well as to coin it. In June 1793, the following item was entered in the East India Company’s journal:

Copper Coin to Matthew Boulton £7765.11.0 for cwt. 820.3.26 of copper bought of him for making copper coin together with the charges of coining and certain expenses attending the coin made by him and shipt in the seasons 1790 and 1791, as per bill passed by the Committee of Warehouses.⁵⁸

Between 1790 and 1793, the Company doubled its purchases of copper coin from £4,000 annually to £8,000 annually. Thereafter the cowrie was in retreat. The millions of cowries slowly gave way to the millions of copper pice cut out by the machines of Messrs. Boulton and Watt. Europeans had no use for the cowrie save as a bauble to offer African chieftains in exchange for slaves.

By a strange coincidence, the cowrie took a not inconsiderable place in the Court of Directors’ plans to develop new branches of their *import* trade. As a raw material not in competition with Lancashire textiles, it deserved attention and got it. The alarmed directors were well aware that private interests had whittled away certain previously prosperous lines of import. During the preceding half-century, the Company’s “captains and officers” and “country” traders of all nationalities had taken over the task of supplying the slave-traders with the India goods needed in bartering for Negroes.

⁵⁶ Corr. Mem. 34, resolution of Feb. 2, 1791.

⁵⁷ N. S. B. Gras and H. M. Larson, *A Casebook in American Business History* (New York, 1939), p. 195. Cf. Home Gen. Comm. Journal 1789/93, entry in June 1793, referring to cwt. 193.2.15 of copper “bought of Puplett in the year 1788 and delivered to Mr. Boulton, for which General Merchandise was debited instead of Copper Coin.”

⁵⁸ Home Gen. Comm. Journal 1789/93, copper coin entry, June 1793.

It is therefore not astonishing to find the directors attempting to revive this branch of their trade by ordering the Bombay government to purchase cowries and arangoes, the attractive blue stone beads found in the Kathiawar peninsula. Orders were likewise sent to buy coarse blue cloths for the African trade in larger quantities, and African exporters in England were annoyed by peremptory refusals of their demands for permission to buy coarse blue cloths smuggled to Lorient or Ostend by illicit traders. This attempt to revive the East India Company's connection with the slave trade did not meet with great success. It may be compared with the directors' vain efforts to develop such products as cochineal and Peruvian bark in India. Like these efforts, it testifies to their intense desire to explore the possibilities of every import which might serve as a substitute for cotton piece goods.⁵⁹

The directors in 1785 embarked on their quest for raw materials which could take the place of piece goods with little idea of the difficulties which faced them. Ten years of experimentation taught them that India did not teem with unexploited raw materials which could compete easily in the European market. In nearly every case, the article which they sought to develop in India then proved to be more cheaply produced in some other part of the world. Moreover nearly all such articles could be better promoted by individual enterprise than by the East India Company. The invoices of the Company's homeward cargoes in the early 1790's differed little from those of twenty or thirty years before. The directors' labors merely added a fringe of new items to the stereotyped list of piece goods supplemented by saltpeter, silk, and pepper.

Indigo, though not a new item, best illustrates the truth

⁵⁹ Home Gen. Comm. Journals 1779/85, 1785/89, and 1789/93, cowrie and arangoe items on "Drugs and Chinaware" invoices; Misc. 28, secretary's letter to George Rose of Dec. 1, 1785, stating that Company has ordered enough blue goods for the African traders, but granting indulgence in special cases. Misc. 31, secretary's letter to Steele, refusing Higginson, Barnard & Wheler's request to import "chelloes"; Misc. 33, letter of June 20, 1792.

that the Company was no match for private traders in trying to develop a product which had to be cultivated by a plantation system. From early times, the Bengalis had made an inferior grade of indigo which the Company found not worth buying after it acquired the *dewani* in 1765. The real impetus to indigo production for the European market came from Mr. John Prinsep whose sole interests were not in copper mines. In 1778/79, Hastings, on the Company's behalf, gave Prinsep a contract for 35,000 lbs. of indigo at 220 rupees per *maund* of 76 lbs. Prinsep, accordingly, started a Bengal indigo plantation on the West Indian model, but could get no yield for his first season or two. Not to be daunted by this, he bought Agra and Delhi indigo at 50 or 100 rupees a *maund* to fulfill his contract. Instead of creating an English source of supply, Prinsep in this manner attacked the Dutch who had been exporting Agra indigo from Surat at a rate of 150 to 200,000 pounds a year.⁶⁰ Within a year or two, Prinsep's profits were so enormous that other Europeans rushed into the fray. In 1783 John Benn wrote John Stables about Prinsep's methods. By that time Prinsep was mixing good with bad indigo and buying up trash from Bihar at 20 rupees a *maund*, and somewhat better quality of weed from Oudh at 35 rupees a *maund*, to go with his best indigo from Cawnpore. On 1,200 *maunds*, he made a handsome profit of 198,000 rupees which, in Benn's opinion, entitled "Mr. Prinsep's Indigo contract" to be called "the greatest abuse under this Government."⁶¹

The increase of competition in indigo brought the price down, but the obliging directors ordered more indigo so that all the new competitors could indulge in the pleasure of importing Agra indigo to swell their private profits. In the mid-1780's there were eight or ten indigo plantations scattered

⁶⁰ A. R. O. B., Bengale 1793, II, Council Proceedings of Feb. 8, 1791. Copy of J. C. L. Blume's account of the history of indigo production in Bengal.

⁶¹ Eur. MSS F 3, John Benn to John Stables, undated, but written at "Agourie, 10 coss beyond Bidzigur" while on a tour of Benares, probably in 1783.

over Bengal to supply the Company's demand, besides two or three whose owners dealt only with possessors of homeward "privilege."⁶² In 1788 Leadenhall Street finally awoke to the fact that the Company's indigo not only did not sell at a profit in London but that it promoted an export of funds to the interior of India. As might have been expected, the Company's servants in Calcutta paid no attention to orders from Europe to suspend the contract system. Contractors continued to receive partial advances until the war with Tipu dislocated their business. From that time on, the indigo contractors began to be squeezed by heavy expenses, and many plantations were abandoned. Bengal indigo was as good as West Indian indigo. Experts agreed that Bengal was capable of producing a much greater yield. It did not do so because of the type of European who attempted to work indigo. All these men were adventurers anxious to make a fortune and then sell out. Under such conditions, the directors would have done better to let indigo entirely alone, for their efforts to increase their imports of it involved them in nothing but expense.⁶³

In contrast to indigo, sugar offered greater hopes of profit to the harassed Court of Directors. The Company had imported none since the days of Charles II because of the strength of the West India interests. Even if the directors had not desired it, export to Europe would have taken place as a natural consequence of the Bengal government's attempt to revive the "country" trade in Bengal sugar. Memoranda on the various types of Benares and Burdwan sugars encouraged high hopes of their success as competitors with West Indian sugars. In March 1791, five tons of sugar came on the *Houghton*. The experts found it soft, but thought it would do. During the year, meetings were held in London to marshal forces for an attack on the high duties on East Indian sugar. In May, the directors ordered the Bengal government to lease

⁶² A. R. O. B., Bengale 1793, II, Council Proceedings, Feb. 8, 1791.

⁶³ The order to suspend dealings in indigo for three years may be found in paras. 28-45 of the commercial letter to Bengal of Mar. 28, 1788.

200 acres for sugar cane to be cultivated by Lieutenant John Paterson, Bengal Army, who was sent out to Calcutta with a twelve years' contract. With their indigo troubles in mind, the directors sought to limit contractors' profits to 10 per cent. Throughout 1791, Bengal sugar was thought at the India House to be the hope of the future. Anglo-Indians believed the East Indies could capture the source of West Indian wealth.⁶⁴

Lieutenant Paterson and other friends of Bengal sugar were soon disillusioned. Early in 1792 the East India Company made an analysis of the results of the previous year's trade in sugar which completely dashed any expectations of substantial profits while the duties were maintained. The books proved that the first season's imports of sugar had but little more than paid for themselves. At the next General Court, violent speeches were made against the iniquity of the high duties on East Indian sugar which had been levied in the West Indian interest. Much to the chagrin of East India proprietors and directors, neither Dundas nor Pitt could then afford to affront the still powerful champions of the West Indies. On April 4, 1792, the House of Commons merely thanked the East India Company for doing what they could to increase the consumption of Bengal sugar. Subsequent experience with East Indian sugar was to prove that the product itself could not compete on its own merits with other varieties. Imports by the Company and its "Commanders and Officers" flourished for a brief season in the 1790's and then declined in the first decade of the nineteenth century.⁶⁵

In turning their attention to "drugs," the Court of Directors were trying to revive a line of import of which great hopes

⁶⁴ Eur. MSS D 281, papers on sugar; these show the Company first imported 1 cwt. of sugar in 1664 as an experiment, tried 3,000 cwt. in 1671, and then did not try sugar again until 1706 when 1 cwt. was brought to Europe as in 1664. There were no imports of sugar from 1712/13 to 1790/91.

⁶⁵ B. M., Add. MSS 38,409, f. 283. Analysis of sugar imported by E. I. Co.; Gen. Court Minutes 7, proceedings, Mar. 15, 1792, Apr. 17, 1792; Eur. MSS D 281, papers on sugar, *passim*.

were held in the early days of the East India trade. Despite a vast amount of labor and a readiness to experiment with any known drug including such rarities as "arnoth" or annatto, the directors did little more than add an insignificant number of items to invoices upon which the profit cannot have been appreciable. For many of these items, Mr. Lyon Prager was responsible, for he had been enjoined by the directors to do what he could with drugs while engaged on his diamond contract. The drug invoices, which in the early 1780's had listed only alkali and tuncal, began to include benjamin, camphor, cardamoms, sal ammoniac, munjeat, *goor*, borax, and wax. Besides these there were small quantities of opium and tobacco and an occasional lot of mace and cloves. The appearance of spice items in these consignments after 1788/89 proves that the English company was officially invading the Dutch company's preserves by buying spices smuggled into India on the "privilege" of "commanders and officers."⁶⁶ Nevertheless, the campaign to purchase new drugs had such negligible results that the directors would have done better to spend more of their time on ivory, Carmenia wool, and especially on teak plank for European shipyards. The Company seems to have lost an opportunity to develop teak as a substitute for redwood, rattans, Malacca canes, and other types of dunnage which were becoming unsalable in London.⁶⁷

By an ironical twist of fate, the one raw material of all others which might have filled the gap expected from the decline of homeward invoices of piece goods could not be controlled by the Court of Directors. Had they possessed a monopoly of raw cotton suitable for weaving by machines, the

⁶⁶ Home Gen. Ledgers and Journals 1785/89, and 1789/93, invoices of "Drugs & Chinaware" cargoes; see also Abs. of Disp. to Bengal 2, com. letters July 31, 1787, para. 14, Mar. 25, 1791, para. 56, June 25, 1793, para. 79; for smuggling of Dutch spices on English Indiamen, see A. R. O. B., Bengale 1792, I, gen. letter to Batavia, Mar. 13, 1790.

⁶⁷ Abs. of Disp. to Bombay 1 A, com. letter, Apr. 8, 1789, para. 15. The Home Gen. Com. Journals for 1789/93 show the beginnings of hemp and jute imports in the seasons 1790/91 and 1791/92. They contain only one item for teak, 95 planks in 1791/92.

whole story of their relationship to Lancashire might have been different. Fate had decreed that an alliance between Lancashire and Leadenhall Street was out of the question. Neither as importers nor as exporters could the directors escape from the coming storm by joining forces with their opponents. As exporters, they sent out samples of machine-made goods to the East in 1786, but the market was not ready for them, and Lancashire, on its part, was not yet ready to supply them.⁶⁸ The question of an alliance on that score could not immediately arise. As importers, the East India Directors were between the devil and the deep sea. Not being in a key position, they were forced to fight rear-guard actions. They wanted to protect India piece goods and at the same time import raw cotton, for they knew the illicit traders would import it if they did not. The Lancashire millowners, on their part, were seeking good cotton wherever they could find it. An irreconcilable struggle opened, ultimately to be decided by the victory of American cotton. By 1791, the old guard among the East India Company's directors and shipping interest realized they must thenceforth fight on two fronts. On the one hand, there was no longer any official encouragement for the sale of Manchester goods in the East, and, on the other, the Company attempted to compensate itself for the gradual defeat of Bombay cotton in the European market by expanding its exports to China.⁶⁹

In their task of finding the variety of Bombay cotton best adapted to the demands of European machines, the directors

⁶⁸ The first samples of goods manufactured in "the Towns of Manchester, Halifax, and Norwich" were dispatched per the *Ravenworth* on Apr. 26, 1786, and the fact was mentioned in the general letters drafted earlier in the month. See Abs. of Disp. to Bombay 1 A, gen. letter, Apr. 7, 1786. Patterns of Manchester goods were sent by the *Manship*, Apr. 4, 1788, with instructions for report on their salability. See Abs. of Disp. to Bengal 2, commercial letter of Mar. 28, 1788, paras. 29 ff.

⁶⁹ B. M., Add. MSS 38,409, f. 272, Samuel Garbett to Lord Hawkesbury, *re* a project for sending sales agents from the "three towns" to India with instructions to keep out of the Company's way. Abs. of Disp. to Bengal 2, commercial letter of May 30, 1792 para. 39 *re* introduction of Bengal in addition to Bombay cotton to China.

courageously undertook the impossible. There proved to be no type of Indian cotton grown in the late eighteenth century which was ideally suited to Manchester's looms but, even if there had been such a cotton, the new lords of the machine would have cheerfully stolen it from under the noses of the East India Company. In 1787, Lancashire was already busy with an underhanded scheme for procuring the seeds of the best Indian cotton to sow in the West Indies. The so-called "botanical" mission of Mr. Anthony Pantaleon Hove to Broach and Baroda should take its place in secret diplomacy beside those "botanical" missions to the Near East fostered by the young Bonaparte. Mr. Hove wrote a learned account of his tour, published long afterwards by the Bombay government, which contained not a word of the real object of his mission.⁷⁰ Mr. Hove, a native of Poland, and his brother, then already in India, were employed by persons who persuaded Lord Hawkesbury, head of the Committee of the Privy Council for Trade, to do their bidding. To give the mission the proper "botanical" flavor, Sir Joseph Banks, as a great patron of science, was included in the plot. On March 30, 1787, Mr. Hove received his instructions in two sets, a public set written by Sir Joseph and a private set written by Lord Hawkesbury. The public set announced that Mr. Hove was authorized to pursue botanical researches in Broach and its vicinity on behalf of His Majesty's Botanical Garden at Kew. The private set said frankly: "The real object of your mission is to procure for the West Indies seed of the finer sorts of cotton."⁷¹

Armed with these instructions and a promise of reward in the offer of a post as manager of a cotton plantation in the West Indies, Hove set off for India. He knew that William Frodsham and his Manchester friends were eager to see as many samples of cotton as he could collect, including, if pos-

⁷⁰ Anton Pantaleon Hove, *Tours for scientific and economical research made in Guzerat Kattiawar and the Conkuns in 1787-88 by Dr. Hove . . . Published under the care of A. Gibson* (Bombay, 1855).

⁷¹ P. R. O., B. T. 6/246, Lord Hawkesbury's letter of instructions to A. P. Hove, Mar. 30, 1787.

sible, a sample of natural nankeen colored cotton of which nankeens were supposed to be made. John Hilton, another textile manufacturer, had been taken in by the story that a colored cotton existed which would save the millowner the expense of dyeing his cloth. Arrived in India, Hove made an extended and also expensive tour of the cotton country until he was peremptorily recalled by Lord Hawkesbury. That nobleman, much to his horror, received calls for the payment of excessive bills of exchange drawn on His Majesty's Treasury and signed by Hove. The Company's servants at Bombay, anxious to make remittances to Europe, were only too happy to finance Mr. Hove's botanical research in a princely manner. Sir Joseph Banks, Pitt, and Dundas, who had originally been privy to the project, decided to recall Hove immediately not only because of his extravagance but because Manchester seemed satisfied with the seed of a Persian cotton grown by Langford Wellington in Barbados. On August 27, 1789, Hove arrived at Plymouth with his botanical collection, which Sir Joseph Banks solemnly described and praised in a public letter to Lord Hawkesbury.⁷²

The East India Company's ledgers and journals reveal the frustration of the directors' hopes with regard to cotton. In 1783/84, the Company was still importing a small quantity of cotton yarn and raw cotton. By 1788/89, Manchester had killed the cotton yarn. Raw cotton imports which had averaged 22,000 lbs. ceased altogether in 1784/85. Under the stimulus of the directors' desire to compete with the smugglers, raw cotton imports rose to 99,202 lbs. in 1785/86, but languished again during the following three seasons. In 1789/90, the directors received precisely 804 cwt. of cotton from Bombay

⁷² P. R. O., B. T. 6/246, Hilton to Hawkesbury, Apr. 3, 1787; Frodsham to Hawkesbury, Sept. 4, 1787; Banks to Hawkesbury, Oct. 14, 1787; Frodsham to Hilton, Nov. 30, 1787; Hawkesbury to Banks, Sept. 9, 1788; Banks to Hove, Sept. 30, 1788; Banks to Hawkesbury, Aug. 28, 1789; Aud. Ref. 5, papers *re* Hove's bills of exchange, Mar. 6, 1790. David Scott & Co. supplied Hove with £238.15.10; Dada Nasserwanjee with £2,125; John Forbes with £250 (for Hove's passage to Europe on a Danish ship, captained by Peter Kragg).

after ordering 500,000 lbs., and in 1790/91, they received 333,200 lbs.⁷³ There were no imports of cotton at all during the next two seasons. This sorry showing may be accounted for in two ways. In the first place, the very elements themselves fought on the side of American, West Indian, and Turkey cotton when the Bombay crop failed in the early 1790's. In the second place, the private interests of the Bombay agency houses and the owners of the Company's ships got the better of those directors who sincerely wished to "give every encouragement to cotton" on the Company's account.⁷⁴ Faced with a dwindling crop, these interests owed their first allegiance to the prosecution of the trade with China on which the profits were higher. Such Indian cotton as came into Europe in the years before the triumph of American cotton therefore continued to come either in illicit or in "private and privilege" trade.

Whichever way they turned, the directors were forced to recognize that cotton piece goods woven by hand were the linchpin of their import trade. If they could not develop new raw materials as substitutes for piece goods, neither could they expand the sale of the old staple Indian raw materials or gruff goods. Pepper alone offered grounds for hope because of increasing British control over the Malabar Coast, and better prospects of indirect purchase of Java pepper from the Dutch company's servants.⁷⁵ Nevertheless, the Company's imports of pepper did not increase before 1793. Nothing could be done with coffee, which had once been an important item in the Company's trade. The directors had none on hand when the American War ended, and, when they did acquire

⁷³ These cotton figures were arrived at by tabulating every homeward invoice of cotton from the Home Gen. Ledgers and Journals during the period.

⁷⁴ Abs. of Disp. to Bengal 2, com. letter Aug. 20, 1788, ordering 500,000 lbs. of cotton, which was never sent; to Bombay 1A, commercial letter of Dec. 15, 1790. *Re* scarcity of cotton in 1790, see Fac. Rec., Surat 68, Con., Apr. 25, 1790.

⁷⁵ Abs. of Disp. to Bengal 2, commercial letter Apr. 8, 1789, para. 58 *re* Java pepper; to Bombay 1A, com. letter of June 25, 1793, paras. 75-76 *re* "diverting to the British nation, the greatest part, if not the whole" of the Dutch pepper trade.

a large quantity, their efforts to sell it were thwarted by the equalization of the duties on American and West Indian coffee. No further attempts were made by the Company to introduce Mocha coffee into England until the West Indies were disturbed by slave uprisings in the 1790's. The experiments of the Company's resident at Salsette, who tried to grow coffee in the Bombay Presidency, went unappreciated at home.⁷⁶

Neither raw silk nor saltpeter, the most important items of gruff goods, held out any prospect of substantial profit. In the early 1770's, the Company had gone to considerable trouble to bring French artisans from Nîmes to India in order to instruct Indians in the art of silk winding by the Italian method.⁷⁷ Under Hastings, Company servants made enormous profits through collusive contracts to supply silk to the Company's Bengal Board of Trade. Cornwallis' reforms tended to bring the amounts of silk invoices down and put the Company's margin of profit up, but there was no way in which the market for Indian silk in Europe could be greatly expanded. Though the Company imported the unusually large quantity of 670,000 lbs. of silk in 1792/93, such a proceeding was wholly exceptional. The annual silk sales soon fell to the usual level of 300 to 400,000 lbs.⁷⁸ The saltpeter trade remained stagnant during the 1780's, for the Company strove to do no more than provide the King with the stipulated amount. Constant reference in the records to fraud, collusion, "bad bags," and rubbish give no evidence of a real attempt at reform of what had actually become a "racket" for the ballasting of Indiamen. In 1790, English Bengal saltpeter no

⁷⁶ H. M. 434, Geo. Smith to Dundas, Oct. 20, 1785; Court Book 93, proceedings July 7, 1784; Misc. 28, letter to H. M. Treasury *re* duties on coffee June 24, 1785; Misc. 31, petition to the Treasury of Feb. 18, 1789 *re* glut of Mocha coffee; Abs. of Disp. to Bombay 1A, commercial letter of Mar. 14, 1792, para. 11.

⁷⁷ Aud. Ref. 4, excerpt from gen. letter to Bengal of Mar. 23, 1770 *re* Antoine Broche, Antoine Burguier, and Jean Pierre Aigou of Nîmes.

⁷⁸ R. Wissett, *A Compendium of East Indian Affairs*, vol. II, tables of silk imports; Home Gen. Ledgers and Journals, 1785/89 and 1789/93, invoices of Bengal raw silk.

longer retained its preëminent position in the European powder factories. The American War had driven the French either to make their own saltpeter or to buy it of the Dutch. By 1784 Russian saltpeter was invading the East European market.⁷⁹

The more impossible the fulfillment of the directors' hopes of expanding their import trade appeared, the more bitter became the struggle between Indian piece goods and the products of the machine. Company servants who knew conditions in both England and India were already calculating the efficiency ratio between the Lancashire mill operative and the Indian spinner and weaver at 400 to 1.⁸⁰ Bengal, Bihar, and Orissa, in the 1780's, had a population of twelve millions whose annual demand for cotton piece goods was 126,000 bales woven from 48 million pounds of raw cotton. The home demand alone absorbed the cotton crop of the three provinces, and made necessary the importation of 10 to 20,000 bales of Bombay and Surat cotton to support the export trade. The European East India companies and the illicit traders together at this period never exported to Europe more than one-sixth (21,000 to 25,000 bales) of the Bengal output of piece goods. It was this sixth plus the trifling exports of piece goods from Madras and Bombay which were in immediate competition with the machine.⁸¹ Few Indians realized that a battle had begun. The Bengali woman, ginning cotton in the rainy season with the jawbone of a fish, for one rupee a month, the spinning woman, earning 1 rupee 4 annas a month, and the weaver, with his 2 rupees 8 annas a month, went on with

⁷⁹ A. N., AJ¹ 12, French E. I. Co. to M. de Boullongne, enclosing a "Mémoire des Régisseurs des Poudres"; Misc. Let. Rec'd. 74, Messrs. Hill, Pigou & Andrews to Court, Mar. 22, 1784. On saltpeter frauds, see especially Abs. of Disp. to Bengal 2, gen. letter of Mar. 27, 1787, para. 238; and commercial letter of Mar. 28, 1788 which orders no increases in the usual saltpeter allowance of 3,000 bags per ship.

⁸⁰ N. L. S., Melville MSS 1064, f. 61, "A Comparison between the Cotton spinning in India and in Great Britain" by Thos. Brown, dated Mar. 11, 1793. Cf. H. M. 399, N. Smith to Dundas, Sept. 27, 1792, "New Eastern products will not catch up with losses occasioned by new manufactures at home."

⁸¹ H. M. 434, Geo. Smith to Dundas, Nov. 8, 1789.

their work oblivious to the struggle in Europe which so vitally concerned them.⁸²

The directors' chief weapon in their fight to protect India piece goods lay in the undoubted fact that most of the new class of manufacturers were making money. By 1793, the millowners were just taking up the slack in the English market and beginning to invade the European market where most of the Company's India goods were sold.⁸³ If the manufacturers had been more hard pressed, the latent hostility between the old vested interests within the Company and the representatives of the government might have burst into flame. As it was, it became possible for Pitt and Dundas to conciliate the manufacturers without drastically limiting the imports of India piece goods.⁸⁴ After 1787, the pamphlet war carried on by the Scottish and English manufacturers increased in intensity, but the sale amount of India piece goods held up remarkably well. The protagonists of the Company, notably Thomas Brown, a leading London draper, were able to show that British muslins were making their way unaided against India muslins, and that the Company's sales benefited the manufacturers by bringing foreign buyers to London. Nevertheless, the prices of many classes of India goods were being forced down. In other words, what took place before 1793 was merely the opening phase of a great struggle. The directors of the East India Company could take comfort in the fact that their sales were withstanding the pressure put upon them, but there was not a single straw in the wind to indicate that the old order which we have here described was not ultimately doomed. The directors' courageous efforts to combat Lancashire demonstrated their weakness rather than their strength.

A fiercer opening of the struggle between the Indian weaver

⁸² N. L. S., Melville MSS 1064, f. 71, Thos. Brown, Supt. of Co.'s piece goods investment in Bengal to his father, dated Calcutta, Aug. 19, 1791.

⁸³ *Ibid.*, f. 63 *et seq.*, Brown to Baring, Apr. 9, 1792.

⁸⁴ *Ibid.*, f. 93, Thos. Brown, chairman of committee of "Merchants & Drapers, buyers of Piece Goods," to Dundas, May 17, 1793.

and the Manchester mill hand might well have impaired the East India Company's usefulness as the instrument of what we have chosen to call regulated imperialism. Neither Pitt nor Dundas nor the interlocking India "interests" desired such a result and the act for the renewal of the Company's Charter in 1793 is a tribute to the perfection of the work of the empire builders in making an administrative machine which so successfully protected their pursuit of private profit. The great difference between 1783 and 1793 is that at the earlier date all the weaknesses of the Company as a corporate body were exposed to public view. In 1793 the expansion of the China trade screened the Indian deficits. The government had fought valiantly against abuses within the Company, and, though it had made little headway, every holder of the Company's securities felt more confident because of increasing state control over the Company. Nothing could overcome the enthusiasm of the profiteers from the war with Tipu Sultan, and another million pounds of capital was poured into Leadenhall Street to keep the machine going. Knocking without the gate were the manufacturers and the merchants of the "outports," unable as yet to muster sufficient parliamentary strength to force the combined India "interests" to give them more than crumbs from the feast. Everywhere appeared the signs of advancing imperialism which was destined to make the East India Company indistinguishable from the state. More dispatch bearers than ever before passed over the Mesopotamian desert or through the Red Sea. Botany Bay ships, owned by the East India shipping "interest," freighted by the government with convicts for the outward voyage and by the Company's servants with Indian cotton destined for Lancashire on the homeward voyage, were themselves heralds of a new era.⁸⁵

⁸⁵ Abs. of Disp. to Bombay 1A, commercial letter of Dec. 15, 1790. The Company adopted a regular practice of offering homeward cargoes to the convict ships. Although most of these ships took their cargo at Canton, several were sent to Calcutta and Bombay from Sydney; see Abs. of Disp. to Bengal 2, commercial letter of Feb. 18, 1793, para. 3, and of Dec. 11, 1793, para. 5.

CHAPTER IX

CONCLUSION

ISAAC TITSINGH, who had a keener insight into the minds of his British friends in India than most of his contemporaries, was a true prophet when he wrote on March 25, 1788 in a secret dispatch concerning the rise of British power:

Beyond the borders of the three provinces [of Bengal Bihar and Orissa] the power [of the English] even as far inland as Delhi is now so well entrenched and they are so sure of their ability to cope with all conceivable unforeseen eventualities except a close alliance between Mohammedan and Mahratta princes that there now seems little danger for them to fear; their statesmanship is now constantly directed toward the forestalling of such an alliance [between Hindus and Moslems] in order to hold both subject to them.¹

We have here the germ of the "forward policy" and the policy of *divide et impera*. The farsighted men on the spot realized that European expansion in India would go on and that with it would march the steady rise of British power. Certain segments of the story we have here recounted might be shrouded from them, but they were truer prophets than those stay-at-home statesmen and politicians who still deluded themselves with the idea of renouncing territorial aggrandizement in India. When the Marquis de Castries was much impressed by conciliatory professions on the part of the English and by the apparent force of British opinion opposed to further conquests in India, the Chevalier de Cossigny admonished him from Pondichéry:

But, *monseigneur*, I believe on the contrary that the ambitious designs of the English become more and more evident in this country, they rise to such unheard of heights that we cannot doubt that they are the most important object engaging the attention of the British government.²

¹ A. R. O. B., Bengale 1790, I. Titsingh to Althing, Mar. 25, 1788.

² A. N. Guerre, A¹ 3765, Cossigny to Castries, Sept. 5, 1786.

Separated from Titsingh and Cossigny by a century and a half of time, we may have no better perception than they of the force of British power, but we have been able to see more clearly how such power grew. It now remains for us to reëxamine that process of growth and to consider those problems of gain or loss to East and West which must inevitably engage the attention of all Indians and Europeans who seek to understand the consequences of European expansion in India. Such an examination must of necessity be approached from two points of view, for on the one hand we must ask ourselves what was the effect of the impact of European expansion beyond the Cape of Good Hope upon India, and on the other what was the effect of European expansion in India upon Europe, and more particularly upon England.

Nearly all Indian and many British writers who have dealt with the first half-century of British rule in India have followed Romesh Chundra Dutt³ in believing that the most important consequence of European expansion in India was what they have chosen to call the "drain" of Indian wealth to Britain. Digby even went so far as to assert that this "drain" averaged approximately £18,000,000 a year between Plassey and Waterloo.⁴ No European, save possibly a few rare souls like Schwarz, Carey, Macartney, and Cornwallis, ever went to India in this period without a pecuniary motive, and there was so much loose talk about fortunes "made in India" that it was easy to assume that the "drain" of wealth from India must have reached vast proportions.⁵ It is obvious, however, that the only true "drain" resulting from contact with the West was the excess of exports from India for which there was no equivalent import. In so far as the monies received by

³ See list of his works in bibliography. His name appears here in the form which is most familiar to Europeans, Dutt instead of the more correct Datta.

⁴ William Digby, *Prosperous British India* (London, 1901), p. 33.

⁵ Cf. D. R. Kommerce-kollegiet, *Ostindiske Sager*, 1781-1792, anonymous *mémoire* in French, addressed to Governor Abbetie at Tranquebar, Oct. 10, 1789, "Un particulier qui a une fortune en Europe ne partira point pour s'établir aux Indes, et les Européens qui ont fait leur fortune aux Indes sont empressés de retourner en Europe pour jouir de leurs richesses."

European East India companies or European governments in return for bills of exchange or bonds sold to individuals in India were spent within India to maintain armies, wage wars, or pay for administrative services, there was certainly no drain of wealth from India to the world outside. In so far as monies acquired in India by companies or individuals were used to purchase goods for export, they can only have constituted a drain to the extent by which their amount exceeded the value of imports of goods and bullion into India by land as well as by sea.

In order to ascertain the exact amount of the drain of wealth from India during the decade with which we have been primarily concerned, we should need what we can never possess, full and accurate statistics of exports and imports for the entire subcontinent. It is only on a basis of India as a whole that this problem can be intelligently discussed. An enormous amount of misconception regarding the "drain" has arisen because many of those who have considered it have thought solely in terms of Bengal. Without complete statistics we can achieve only an approximate result, but that result will have no meaning unless we attempt to bring the whole of India within the scope of our investigation. The lack of statistics forces us to approach the problem from two angles. We have to deal not only with the question of the direct "drain" to Europe but also with the possibility of an indirect "drain" to Europe resulting from European activity in "country" trade. It is as great a mistake to assume that there was no drain because the vast sums spent on Indian civil and military account under European direction never left the country, as it is to assume that the drain was enormous because of the extravagance of "nabobs" in late eighteenth-century England.

In attempting to strike a balance between direct exports and imports to and from Europe, we have to mingle fairly accurate estimates with estimates that can only be approximate. Our figures must be based on the invoiced values, and

not the sales values, of exports and imports. Those who believe that contact with the West tended to impoverish India at this period do not contend that Indians could themselves have built fleets and exported goods to Europe for sale at a profit. They feel that the sum of Indian wealth would have been greater if the European empire-builders had not been abroad in the land. During the ten trading seasons 1783/84 to 1792/93, the invoiced values of goods exported from India to London by the English East India Company amounted to £10,284,479.⁶ The invoiced values of goods exported on the Company's ships in "private and privilege" trade cannot be as accurately known. The sales values for the total "private and privilege" trade including Chinese with Indian items are known. When the Indian items are separated from the total and the invoiced values estimated as having the same relationship to sales values as was the case with the Company's goods, we arrive at £2,362,000 as an approximate total for the invoiced value of exports from India in "private and privilege" trade.⁷ This figure would include the invoiced value of diamonds registered and sent to Europe on the Company's ships. Thus, the total invoiced values of the homeward cargoes carried to London from India in Company ships during the decade was £12,646,541.

When we approach the problem of estimating the invoiced values of the outward cargoes of Company ships, we discover that the only two items which can be accurately known are

⁶ This is the figure according to Dundas' accounts, as given in Robert Wissett, *Compendium of East India Affairs*, vol. I (pagodas and Bombay rupees have been converted into current rupees and the current rupee taken at 2 s.). The compilers of the report in *Parl. Papers 1831*, V, 567 estimated the invoiced values of Company's goods exported from India in this decade at £11,635,846, but this figure included imports into England from all "East India" ports except Canton.

⁷ The total sale amount of "private and privilege" goods for these ten seasons according to the tables in Wissett, *op. cit.*, vol. II, and in John Macgregor, *Commercial Statistics* (London, 1848), IV, 408 is £6,909,511. If £2,068,600 be deducted for the sale value of "private and privilege" goods from China (see tables in Pritchard, *op. cit.*), £4,840,911 is the sale value of the India goods, thus making their approximate invoice value £2,362,000.

the amounts of goods and silver imported into India by the Company. This figure for goods and base metals is £2,208,979, and for bullion £721,914.⁸ On the basis of figures given by contemporary observers, we can safely say that the "Europe goods" invoiced to India on "Commanders and Officers" outward "privilege" cost their owners £1,000,000.⁹ As we have seen, the events preceding the outbreak of war with Tipu were forcing an export of bullion to India by individuals which quickly increased when war actually broke out. These silver exports were openly encouraged by the Company, but there is no way of knowing their precise amount. One contemporary estimate places the amount which flowed directly into Madras to finance the war at £750,000.¹⁰ Since the evidence is overwhelming that the practice had become a general one which affected all the Presidencies, at least £1,000,000 in silver must have come into India on individual account in Company ships before 1793.¹¹ In addition £1,337,754 in goods arrived in India on Company ships under the heading of stores and military supplies.¹² When exports and imports on Company ships are balanced against each other, there appears a "drain" from India of approximately £6,375,000 in the ten trading seasons under investigation.

⁸ These totals have been compiled from the Company's Home Ledgers and Journals.

⁹ The anonymous collector of the papers on commerce in Eur. MSS D 281 gives figures for the goods invoiced to India by owners of outward "privilege" which averaged £125,000 annually for the seven seasons 1783/84-1789/90. Macgregor (*op. cit.*, IV, 432) gives figures for exports of goods to India in the seasons 1791/92 (£702,862) and 1792/93 (£774,063). If the amount of Company's exports be deducted it will be seen that individuals apparently exported over £400,000 in each of those seasons. Hence, £1,000,000 is probably a very low estimate of the total of such exports in goods for this decade.

¹⁰ H. M., 399, data on exports to India. The compiler of these documents, who was presumably George Anderson, estimated individual exports of silver to Madras in the four seasons 1786/87-1789/90 at £773,551.

¹¹ Cf. Abs. of Disp. to Bombay 1 A, public letter of Jan. 13, 1790, para. 5. "We have since granted permission to any person to send dollars to India for the purchase of the Company's bonds." For the procedure used by London agency houses in shipping dollars see Misc. 33, Secretary's letter to Raikes & Co., Sept. 20, 1792.

¹² Figure compiled from Company's Home Ledgers and Journals.

Because of the lack of exact invoice figures for the homeward and outward cargoes of ships, owned or chartered by foreign East India companies or illicit traders, we must use a different method of estimating the direct "drain" from India to Europe through non-British channels. In this case, the amounts paid by British subjects for bills of exchange and respondentia bonds are a fairly accurate index of the "drain" because they were chiefly spent in buying goods for export. The illicit traders supported no civil or military services, and only a small portion of the proceeds of bills of exchange sold by the foreign East India companies can have been spent in India in civil or military expense. The Dutch company's activities do not come under consideration here because any "drain" that resulted from Dutch trade was not part of the direct "drain" to Europe. In Titsingh's day, Dutch exports from India direct to Europe were negligible. The Danes kept their administrative and commercial expenses separated, and there is no evidence that the Danish company supplied funds to the Danish government at either Tranquebar or Serampore. With the French, the case is different. We know that the hard-pressed royal governors appealed to the agents of the French East India Company for assistance, and sometimes received it. Moreover, there was no marked gap between export and import figures in the invoices of the French company which have survived. For these two reasons, £1,000,000, the approximate total of French bills of exchange sold in India between 1785 and 1793, is probably an overestimate of the true excess of French exports from India over imports. Nevertheless, it would be unsafe to consider this amount as any less. If we take the French excess of exports for which there was no equivalent import at £1,000,000, the Danish at £2,850,000, the "Ostenders," Portuguese, and other illicit traders' at £2,900,000, we arrive at £6,750,000 as the approximate total of the direct drain to Europe resulting from the activities of foreign East India companies and illicit traders.¹³ We may

¹³ This figure, £6,750,000, is, in all probability, an overestimate rather than

therefore conclude that there was a direct drain to Europe during this decade of £13,125,000 or an average of £1,300,000 a year. This drain was not constant. There is every reason for thinking the development of the process which we have chosen to call "regulated imperialism" caused the drain to become progressively less by stimulating the private export of silver to India.

The calculation of the drain from India resulting from the ventures of "country" traders at this period is a matter of great difficulty. There is no conceivable way of striking an accurate balance of imports against exports for the entire continent at this period of its history. Our investigation of the growth of "country" trade clearly points toward the conclusion that exports exceeded imports by a substantial amount. That excess, however, must have consisted very largely of opium, a commodity which would certainly not have been grown in India in large quantities if Europeans had not been there to grow it. We are not justified in thinking that India was indirectly drained by "country" traders of huge sums which found their way to London in devious ways. The best index of such an indirect drain to London is the amount of the Company's China bills of exchange sold. For the decade, these bills were issued for £5,021,104.¹⁴ If half of these bills were disposed of in India by "country" traders, we have reason to believe that there was an indirect "drain" from India to Europe of £250,000 a year. The problem is one of great complexity. European activity in "country" trade unquestionably stimulated an excess of exports in both silver and goods from

an underestimate; sterling bills of exchange drawn by the agents of the French and Danish companies can at most account for £1,850,000. Our previous calculations as to remittances through private Danes, "Ostenders," Portuguese, and others had to be based on the probable sale values of illicit cargoes which as we have seen varied greatly in quality, and were often sold at a loss. There is no satisfactory way of calculating invoiced values or of making proper deductions from sales values on account of freight, insurance, interest, and other charges; £6,750,000 is therefore very high for the "drain" to Britain through these channels, and very probably high for the "drain" to Europe at large.

¹⁴ Figure compiled from Company's Home Ledgers and Journals.

India to China after 1770. During the period with which we have been chiefly concerned, exports of bullion almost ceased, but, in the French Revolutionary era, silver began to flow back from China to India. There can have been no vast indirect drain of Indian wealth to Europe in the late eighteenth century. The indirect drain, like the direct, was tending to decrease in the last years of the decade 1783-1793, for the sales of China bills of exchange in India then fell off sharply.¹⁵

Although there can be no doubt that a "drain" of Indian wealth in the sense above defined existed, it certainly did not reach vast proportions. The drain toward the West should not be reckoned as exceeding £1,800,000 annually during the period 1783-1793. This was a "drain" in goods. A notion that India was paying a tribute of gold and silver to her European conquerors at this time can find no foundation in fact. Direct exports of bullion to Europe were so trifling as to be negligible.¹⁶ A million and three-quarters pounds sterling a year in goods is a sizable amount, but we should not allow ourselves to think of this as a tribute exacted from the Indian people by Europeans without considering the larger aspects of the problem. Dutt and those who followed him were so preoccupied with the idea that India was being systematically looted by the invaders from the West that they failed to study the process of European expansion within India in all its aspects. The preceding chapters, which are primarily concerned with the effect of European expansion in India upon Europe and Europeans, may serve as an introduction to such a study. They do not constitute such a study themselves. That study should be undertaken by Indian historians and economists.

Sir Theodore Morison long ago pointed out that a "drain," such as that occurring in India's case, is not necessarily dele-

¹⁵ Home Ledgers and Journals, total China bills of exchange paid in 1792/93, £317,316; the high point of this decade was 1789/90, £1,009,381, for China bills.

¹⁶ Home Ledgers and Journals 1785/89, and 1789/93. This statement is based on a careful examination of items representing shipments of either gold or silver which paid 5 per cent duty to the Company.

terious or an indication of progressive impoverishment for it can be statistically shown that other nations, normally considered as prospering and not under the heel of imperialist domination, underwent such "drains."¹⁷ Even if we disregard such views, it is quite apparent that the process of European expansion in India cannot be thought of simply in terms of the "exploitation" of millions of impoverished peasants and artisans by ambitious conquerors. During the last half of the eighteenth century, European enterprise acted as a powerful catalyst on the economic life of the East. Under its auspices, commercial revolutions took place not only outside India, but within the vast fabric of Indian society as well. It not only promoted "drains" from Bengal to other parts of the country, but it brought about closer economic ties between all regions of India which must be carefully studied before the European influence can be universally condemned as harmful. European activity unquestionably fostered social change. It brought prosperity to some groups within Indian society and depressed the economic status of others. On this point, one has only to remember the famous dialogue between the East India cadet and the "banian":

The European hath procured what he came for and will stay no longer: the Hindoo has made the most of the European's courage, influence, and adventurous mercantile abilities that he possibly could. "Adieu, Master Chargewell," says the European, "your entertainment is very good but your house is confounded hot." "God bless your honour," says the Banya, "I hope you will recommend me to any of your friends that may chance to come this way."¹⁸

For all their power, Europeans remained an insignificant minority in comparison to the economically privileged groups within Indian society. There is at least a possibility that the indirect and direct results of European activity within India between 1783 and 1793 were tending to create wealth rather

¹⁷ Sir Theodore Morison, *The Economic Transition in India* (London, 1911), pp. 182-242.

¹⁸ *Five Letters from a Free Merchant in Bengal to Warren Hastings, Esq.*, attributed to Joseph Price, letter I.

than to destroy it. Such wealth may not have been uniformly distributed through the social fabric. There is no point in condemning Europeans in India as exploiters motivated by greed without at the same time condemning non-Europeans who were actuated by similar motives. The immediate result of the stoppage of the "drain" in piece goods from Bengal would have been unemployment for one sixth of the weavers and spinners in Bengal. We cannot know whether India as a whole would have been happier or wealthier in the late eighteenth century if Europeans had not sought fame, fortune, and power there. All we can do is to try to discover what the process of European expansion in India actually meant, not for Bengal alone, but for the whole peninsula. A "drain," as above defined, undoubtedly took place, but a fuller study of the influence of European enterprise upon Indian economic and social life at this period must be made before we can positively assert that such a drain was not being offset, at least in part, by an increase in wealth among the Indian mercantile community, for which European activity was primarily, though indirectly, responsible.

The problem of assessing Britain's national gain or loss from the process of Indian empire-building in the late eighteenth century is essentially different from that of calculating the "drain" of wealth from India to the West. We have to ask ourselves whether British India was becoming less or more valuable to the British nation as a whole. If the costs of the acquisition of Indian empire increase and the proceeds of the sales of India goods either remain static or decrease, British India tends to become a wasting asset, no matter how many individual fortunes are made from the continuing process of European expansion in India. The complexities of the issues involved arise from the interaction between the transactions carried on by the Company, the state, and the individual traders whether legitimate or illicit. Our investigation of the activities of the Company in its corporate capacity between 1783 and 1793 emphasizes the importance of the profits on

the China trade as a screen for deficits incurred on Indian account. Conceived as a corporation trading with India, the Company was already bankrupt and was certainly not moving toward solvency in this decade. What we have really to consider is whether or not there were indirect profits from the acquisition of Indian empire which offset these deficits.

The true proceeds of the Company's sales of India goods for the ten trading seasons 1783/84 to 1792/93 amounted to £15,277,019. Their gross sales figure of £21,077,443 included £5,100,424 paid the state for duties and £700,000 paid the state on account of military expense.¹⁹ Since nearly all India goods were reexported and their buyers received a drawback of over 50 per cent of the duties paid, the true proceeds of East India duties received by the Exchequer must have been approximately £3,000,000.²⁰ The Exchequer also kept about £650,000 of the duties levied on goods imported on Company ships in "private and privilege" trade. The net sale amount of homeward privilege goods therefore stands at £3,669,498.²¹ We therefore find that the buyers of India goods paid £15,277,019 to the Company, £4,350,000 to the state, and £3,669,498 to the owners of homeward "privilege," making a total income on India account of £23,296,517.

In order to ascertain the amount of profit available for the reimbursement of the empire-builders and the payment of national military and naval expense incurred on India's account, we must charge against this income the value of goods, stores, and bullion exported to India, half the interest and dividends paid by the Company and Exchequer on sterling

¹⁹ See tables in Appendix.

²⁰ For the schedule of drawbacks on India goods, see Charles Cartwright, *An Abstract of the Orders and Regulations of the Honourable Court of Directors of the East India Company* . . . (London, 1788). The figure £3,000,000 for net duties on India goods in this decade is probably high. It has been calculated on a basis of 8/10 of imports reexported with an average drawback of 55 per cent. The percentage of reexports was probably higher, and 55 per cent, the drawback on muslins, is certainly lower than the true average drawback; the drawbacks on drugs were often over 66 2/3 per cent.

²¹ The approximate gross customs figure on "private and privilege" goods (sale value £4,840,911) is £1,171,413.

issues of East India Stock, bonds, and annuities, half the interest on the capital invested in East India ships, and charges on merchandise applicable to Indian account. These items together reach a total of £10,468,446. This leaves a gain on the India trade carried on by the Company's ships over these ten trading seasons of £12,828,071, and our problem of assessing national gain becomes one of estimating the naval and military expense occasioned by the connection with India. The holders of the Company's bills of exchange and the owners of East India shipping together received a net return of £11,001,009, from the Company's Treasury in Leadenhall Street on Indian account.²² This sum is so large as to suggest that any true national gain from the trade carried on in the Company's ships was steadily declining, for there is hardly doubt that the Exchequer's expenditures properly chargeable to Indian account were far more than £1,800,000 in this decade. Even if we disregard any sums paid on account of expense originally incurred in India during the American War, the Exchequer's Indian commitments were constantly increasing. The Board of Control set up by Pitt's Act was costing the government several thousands of pounds a year.²³ The £700,000 received from the East India Company for military expense must be written off as spent. Not only was more military expense incurred on the Indian establishment, but the Exchequer was constantly paying bills of exchange drawn in India by the officers of His Majesty's Navy.²⁴

²² India bills of exchange paid £7,911,633; interest on India bills of exchange paid £845,774; net freight and demurrage on Indian account £2,243,602 (i.e., total freight and demurrage paid on Indian account £2,743,602 minus £500,000 for interest charges on capital invested in ships). In addition the Company's London Treasury paid out on Indian account in wages, salaries, fees, charges on merchandise, and other miscellaneous home charges, £822,988. If this sum be added to £11,001,009, the total paid by the Company on Indian account to all the various India "interests" comes almost within £1,000,000 of equaling the whole gain on the India trade freighted on the Company's ships by *both* the Company and individuals.

²³ When the Board was specifically provided for after 1793, £16,000 was fixed as the amount of its annual expenditures.

²⁴ See, for example, Misc. Let. Rec'd, 75, document dated Navy Office, Dec. 1, 1784, listing sums paid over to the storekeeper of His Majesty's squadron at

Whatever the precise amount of military and naval expense properly chargeable against India, the gain on the India trade carried on in Company ships was not sufficient to meet it and pay the two most powerful groups within the Company — the active and retired Anglo-Indians and the shipping interest — what they actually received. If the military and naval expense did not exceed £4,350,000, the amount retained by the Exchequer out of the proceeds of East India sales, we may infer that the India "interests" are as yet preying upon each other and have not in the period under investigation directly preyed upon the taxpayer. To put it another way, they were bolstering up the Company with increased credit and capital in order to enable it to pay increased costs of empire which steadily narrowed the true margin of profit on the trade. For all that, the credit of the taxpayer had become deeply involved and the nation was committed to a policy of imperial expansion in India. If we charge £2,000,000 to military expense, the national gain on the India trade carried on in Company ships becomes £10,828,071.

To the national gain on the India trade carried on in Company ships, the balances accruing in London from British transactions with foreign East India companies and illicit traders should be added. As we have previously pointed out, £6,750,000 is a liberal estimate for the approximate total of British-owned bills of exchange and respondentia bonds involved in such transactions. In order to allow for other items of British profit, £7,000,000 would seem to be as accurate an index of such balances accruing in London as can safely be made.²⁵ That figure should be well within the mark. A searching examination of every aspect of the balance of trade connected with this subject, if it could be made, should tend

Madras in return for bills of exchange drawn on the Navy Commissioners totaling £19,713. The chief subscribers are Madras agency houses acting on behalf of Company servants who have already returned to England.

²⁵ No account is here taken of the £300,000 of Dutch India bills of exchange paid in London. Although these were in all probability met by funds borrowed in London there are possible British gains involved in such transactions.

issues of East India Stock, bonds, and annuities, half the interest on the capital invested in East India ships, and charges on merchandise applicable to Indian account. These items together reach a total of £10,468,446. This leaves a gain on the India trade carried on by the Company's ships over these ten trading seasons of £12,828,071, and our problem of assessing national gain becomes one of estimating the naval and military expense occasioned by the connection with India. The holders of the Company's bills of exchange and the owners of East India shipping together received a net return of £11,001,009, from the Company's Treasury in Leadenhall Street on Indian account.²² This sum is so large as to suggest that any true national gain from the trade carried on in the Company's ships was steadily declining, for there is hardly doubt that the Exchequer's expenditures properly chargeable to Indian account were far more than £1,800,000 in this decade. Even if we disregard any sums paid on account of expense originally incurred in India during the American War, the Exchequer's Indian commitments were constantly increasing. The Board of Control set up by Pitt's Act was costing the government several thousands of pounds a year.²³ The £700,000 received from the East India Company for military expense must be written off as spent. Not only was more military expense incurred on the Indian establishment, but the Exchequer was constantly paying bills of exchange drawn in India by the officers of His Majesty's Navy.²⁴

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²³ When the Board was specifically provided for after 1793, £16,000 was fixed as the amount of its annual expenditures.

²⁴ See, for example, Misc. Let. Rec'd, 75, document dated Navy Office, Dec. 1, 1784, listing sums paid over to the storekeeper of His Majesty's squadron at

Whatever the precise amount of military and naval expense properly chargeable against India, the gain on the India trade carried on in Company ships was not sufficient to meet it and pay the two most powerful groups within the Company — the active and retired Anglo-Indians and the shipping interest — what they actually received. If the military and naval expense did not exceed £4,350,000, the amount retained by the Exchequer out of the proceeds of East India sales, we may infer that the India "interests" are as yet preying upon each other and have not in the period under investigation directly preyed upon the taxpayer. To put it another way, they were bolstering up the Company with increased credit and capital in order to enable it to pay increased costs of empire which steadily narrowed the true margin of profit on the trade. For all that, the credit of the taxpayer had become deeply involved and the nation was committed to a policy of imperial expansion in India. If we charge £2,000,000 to military expense, the national gain on the India trade carried on in Company ships becomes £10,828,071.

To the national gain on the India trade carried on in Company ships, the balances accruing in London from British transactions with foreign East India companies and illicit traders should be added. As we have previously pointed out, £6,750,000 is a liberal estimate for the approximate total of British-owned bills of exchange and respondentia bonds involved in such transactions. In order to allow for other items of British profit, £7,000,000 would seem to be as accurate an index of such balances accruing in London as can safely be made.²⁵ That figure should be well within the mark. A searching examination of every aspect of the balance of trade connected with this subject, if it could be made, should tend

Madras in return for bills of exchange drawn on the Navy Commissioners totaling £19,713. The chief subscribers are Madras agency houses acting on behalf of Company servants who have already returned to England.

²⁵ No account is here taken of the £300,000 of Dutch India bills of exchange paid in London. Although these were in all probability met by funds borrowed in London there are possible British gains involved in such transactions.

greatly to reduce this figure rather than to increase it. A sizable item for interest charges on British capital invested in illicit trade should be deducted from it. Moreover the London houses which served the Danish East India Company were not the only ones defrauded by sharp practices on the part of their foreign clients. The bankruptcy of Charles Herries & Co., which ensued before the close of the century, was directly attributed to their folly in paying the holders of the French company's India obligations out of their own pockets.²⁶ Such payments would tend to reduce the true British profit accruing in London on India transactions as well as would the substantial sums paid to Britons living abroad who owned any type of India bill of exchange.²⁷ If we leave these considerations out of account and add £7,000,000 to our previous figure, the British national gain on the whole of the India trade for the decade 1783/84 - 1792/93 may be liberally estimated at £17,828,071.

Statistical computations of this kind have no meaning except as indications of the human realities behind them. The figures may err to a greater or less extent because of the complex interrelationship of the activities of the groups involved, but these figures do support the body of other evidence suggesting that India was slowly but surely becoming a wasting asset to Britain during these years. Computations of gains or losses incurred in London on the India trade can take no account of the then none-too-secure keystone of the arch of Anglo-Indian imperialism, namely, the English East India Company's India debt. It is only too clear that any attempt to pay the empire-builders any substantial portion of the principal of their India bonds at home would have invited disaster. The projects for the so-called "transfer of debt" from India to Europe really languished because the bondholders were afraid

²⁶ Edward Herries, *Memoir of the Public Life of the Right Honourable John Charles Herries* (London, 1880), I, 15.

²⁷ The portion of the illicit trade which, though British, was entirely carried on abroad by British subjects living abroad can hardly be said to have contributed to British *national* gain.

of the consequences. This debt, which may be conservatively reckoned at £6,000,000, was one of the factors that tended to draw English-owned bullion to India between 1788 and 1793.²⁸

Our whole study of Anglo-Indian finance has shown that the costs of imperialism were rising at the three Presidencies and that the Company's governors could only solve their problems by marching on down the road of empire. On the other hand, the market for India's products in Europe was certainly not expanding to keep pace with the rising costs of empire. Our investigation of the activities of foreign East India companies and illicit traders leads us to suspect that the India goods brought to Europe by them steadily declined both in amount and in quality during the last half of this decade of peace. Some of this slack was taken up by the expansion of the English company's homeward "privilege" and private trade, but the Company's trade itself underwent no appreciable expansion. There are therefore many reasons for thinking that the British people in supporting the vast and complex fabric of European imperialism in India were really gambling in futures. The added prosperity from the China trade and domestic industrial development obscured the fact that the real benefits to the nation as a whole from the Indian connection were lessening.

The British people may have staked their future as rulers of India on the chance of their ability to open the workshop of the world. Since their gamble won, we cannot know whether it was a gamble. If the new order had not arrived, the old would have persisted and it may well be that increased expansion of the China trade alone could have supported the growth of Indian Empire. The India trade undoubtedly lost vitality in the interval between the American and French revolutions. This loss may have been wholly due to the be-

²⁸ In the season 1792/93, the "untransferred" India debt bearing interest was estimated by Dundas at £6,322,329, see Wissett, *op. cit.*, vol. I, estimates of India debt.

ginnings of machine competition in Europe, but it is more probable that a time had arrived when the India trade in the old sense could not stand the burdens of empire. The letters of Company servants frequently refer to the failure of agency houses, and one cannot help but notice how short-lived are the careers of such houses. They appear and disappear from the London as well as from the Indian scene. What this means is that by the time the partners in such houses got through paying their bills of exchange and interest charges there was very little left for themselves.

All the measures taken to confine the India trade to British channels tended to make the foreign and illicit trade more speculative. The illicit trade was the first to suffer from the narrowing of the margin of profit and the lowering of prices of India goods in the European markets. Under the stimulus of freer individual enterprise within the framework of the Company and outside it on neutral shipping after 1793, the amount of India goods sold in Europe rose for a short period, but their quality fell off and their sale prices were below those of the previous period. Meanwhile, imperial expenditure of all kinds steadily went up, and the English company's India debt, which Dundas had sworn would never reach £12,000,000, passed that figure in 1798.²⁹ There is therefore a strong probability that the India trade as carried on in the 1780's could not long have supported expanding empire.

The real drive behind British transactions with foreign East India companies and illicit traders came from such men as Robert Charnock, merchants who regarded the world as their province, and who looked no further ahead than their own immediate profits. In the late eighteenth century, the activities of such men, whether they were Britons, Frenchmen, Dutch, or Danes, could not help but enhance British power in India, no matter how much they tended to bring closer a day when the British India "interests" would prey upon their national Exchequer as well as upon each other.

²⁹ Wissett, *op. cit.*, vol. I.

The history of the foreign East India companies at this period provides serious food for thought. It would appear, for example, that France, after losing in the initial struggle for Indian empire, would have done better to pull out of the race for political power in India altogether. The French king's naval and military officers were, like Mr. Anthony Pantaleon Hove, entertained handsomely in India by the English East India Company's servants whose agents promptly presented their bills of exchange for payment in London. With the French company and French private traders the case was different. There was probably a true though small margin of genuine French profit, even after the French king's political, military, and naval expenses on Indian account were offset against proceeds of sales, but the French company was so soundly milked by the French India "interests" that any true national gain to France from the India trade must have been negligible. British owners of French bills of exchange certainly profited at the expense of French investors in India stock. Bourdieu was quite correct in thinking that the time for the French merchant to gain any real profit was when the British company was wrapped up in an imperialist war within India which made the British less able to supply the European market with the usual assortment of fine goods.

The results of British contact with the Danish government, company, and private traders were somewhat similar to those growing out of dealings with the French. The margin of true Danish profit was presumably proportionately greater because the Danes had no imperial ambitions. Their military and administrative expense on Indian account was likewise payable in London, but it was very small. Their East India company was moving steadily toward bankruptcy in a way that suggests comparison with the similar process in the English company. This almost certainly means that one or more interested groups, among them the British holders of Danish bills of exchange, were actually receiving more than the amount to which they were entitled from the dwindling margin of profit on the trade.

It is impossible, however, to say that in this case British interests were preying upon Danish, for the British and Danish interests active in bolstering up the Danish company's credit were closely intermingled. Since the Danish government was not passively, but actively, engaged in staving off the Company's ruin, the probabilities are that the purely British interests were profiting at Danish expense.

There is little doubt that the Dutch company's balances payable in London were really met out of loans raised on the credit of the States of Holland or the States-General. If the English company's finances are a labyrinth through which one must pick one's way with clew line and candle, the Dutch company's finances in the 1780's are a maelstrom which threatens to engulf the most intrepid foreign investigator. The most that can safely be said is that a time had certainly come when the Dutch India interests were preying to some extent upon the Dutch taxpayer. No true Dutch national gain arose from Dutch trade with the mainland of India, but it is axiomatic that in attempting to assess gains or losses flowing directly from the process of European expansion in India, we overlook the fact that, to the contemporary European, and especially to the Dutchman, the area beyond the Cape of Good Hope was regarded as one economic unit. What was really at stake in the late eighteenth century was the trade of Asia and East Africa from the Red Sea to the Pacific. From that point of view, we have been witnessing the methods by which the British squeezed their European rivals out of the China trade and constantly circumscribed the Dutch, hemming them in closer and closer to the core of their island empire. Looked at in this way, European imperialism in India appears to have become an ever more expensive by-product of a struggle for the profits of Asiatic trade as a whole.

Wealth is not entirely synonymous with power. No amount of evidence that British India was a wasting asset to Britain could have brought the process of European expansion in India to a halt. Whenever circumstances exist which enable

a few members of one section of mankind to exercise authority over millions of other men, the power of those few will be a source of pride to their fellow countrymen long after the pure economic benefits of the relationship have begun to wane. We may well debate as to precisely how and when the snowball of European imperialism started rolling in India, but there is no doubt that there were no brakes upon its progress during the late eighteenth century. Imperialism in the East, in any event, is a social process, a method by which groups, excluded from participation in the profits of foreign trade, seek to share in them, and hence tend to overreach themselves. Pressures within European society thus sought outlets in devious and indirect ways. Economic contact between India and the West was inevitable, but imperialism was not inevitable. It grew out of the weaknesses and diversities of Indian society, and in particular out of Indian powerlessness at sea. Every gate was open to the enterprising European; he was not only all-powerful at sea and superior in ability to control military force on land, but he could, as it were, set up a caste of his own, in a land of caste.

European society in India greatly resembles that society, characteristic of the vanguard of European expansion in other parts of the world, which is known to Americans as a "frontier" society. There is the same omnipresence of danger, the same untrammelled scramble for wealth quickly acquired and often as quickly lost, the same atmosphere of building new careers in a new land after failure in the old, the same easy shifting from one occupation to another, the same heterogeneity of social and national origin, but *not* the environment in which ultra-democracy could flourish. This Indian "frontier" was based on the freedom of economic enterprise under a benevolent despotism. The European "frontiersman" in India sought not a new home for himself and his children but a position within the then existing social order in Europe which he had previously been denied. If he succeeded, he went home to take his ease in the English countryside. If he failed, he

was often happier in India than he would have been at home during the few weeks, months, or years before he went to join those of his fellow-Europeans who lay in palm or mango shaded cemeteries under headstones carved by Indian craftsmen. In India the European "frontier" never gave way to the settled community. It was always there, an eternal challenge to the adventurers who sailed out of the West.

In the years to which we have given closest attention, British power in India grew out of the striving of an increasing number of Europeans for economic security through imperialism. The era when a few men fought for large rewards had given way to an era when many men, drawn from all strata of European society save the most secure, scrambled for what each regarded as a competence according to his lights, and cared nought for the consequences to either British or European society in Europe. The "frontier" on which these men lived may be said to bear a negative as well as a positive aspect. It may be called positive to the extent by which it was a true "frontier," a place where the impecunious younger son or social misfit could make his way without being a problem to his more comfortably situated friends or kinsmen, but it was negative to the extent by which it was being supported by the European taxpayer or investor.

From a European standpoint, late-eighteenth-century imperialism in India may have been a desirable method of relieving social pressures in Great Britain. It may have been the cheapest way of providing for those who might be said to live on the negative "frontier." It was no doubt the product of the self-interest of groups as selfish as any that existed at other periods, but it did not in British or European history possess some of the features which J. A. Hobson condemns so unreservedly in his studies of nineteenth-century imperialism.³⁰ Such benefits as late-eighteenth-century imperialism conferred upon the British people were probably more widely

³⁰ See especially J. A. Hobson, *Imperialism* (London, 1902), *passim*.

diffused throughout the British social fabric than was true a century later.

European empire in India in the second half of the eighteenth century was the result, not of one cause, but of many. It may be argued that we have here investigated too short a period to justify broad generalization, yet the happenings in that period do cast a light both toward the future and toward the past, especially toward the past. Nothing in these pages gives the slightest warrant for thinking that Brooks Adams' hypothesis as to the all-important rôle played by Indian wealth or "Plassey Plunder" in stimulating the industrial revolution should continue to be viewed with anything but skepticism.³¹ There is some evidence in the English East India Company's books that exports of gold, silver, and diamonds from India to Europe were greater in the 1770's than in the 1780's, a trend which emphasizes the importance of giving the years 1750-1783 at least as close an examination as has here been given to the years 1783-1793.³² The probabilities are, however, that by confining our statistical analysis to one decade we have underestimated rather than overestimated the burdens of imperialism. When the true costs of the American War properly chargeable to India are estimated, they will probably be found to have greatly curtailed the true margin of profit on trade even in the spacious and free and easy days of Warren Hastings.³³

The events of the 1770's and 1780's in India also cast their light upon the future. We cannot help but see the British transactions with foreign East India companies and illicit traders as evidences of the working of certain aspects of free-trade and laissez faire long before their time. Beyond that, it

³¹ Brooks Adams, *The Law of Civilization and Decay* (New York, 1910), pp. 303-312.

³² Home Ledgers and Journals, 1779/85, items representing payments of duty of 5 per cent on shipments of gold or silver to Europe.

³³ A. R. O. B., Bengale 1786, II, Titsingh to the Seventeen Dec. 10, 1785. Titsingh estimated that the English E. I. Co. ran astern at a rate of one crore of rupees annually during the American War.

is not without significance that, as illicit trade is squeezed into more purely British channels, the forces behind it become the definite precursors of free-trade forces within Britain. The men who in 1792 suggested that the English East India Company should be reorganized on a Dutch model with *kamers* for Liverpool, Glasgow, and other "outports" can only have regarded their scheme as a step along the road toward an ever freer trade to India.³⁴

Whether we look toward the future or toward the past, the thought occurs again and again that the drive behind these events which took place between the American and French Revolutions sprang from forces within eighteenth-century capitalism, which transcended national boundaries, but which could not help but leave Britain mistress of India. Britain alone possessed the sea power to conquer this empire and the strength to withstand the deleterious effects of imperialism when they came. If the issue was ever in doubt, it was in doubt in a period prior to the one we have chiefly investigated. The story of European expansion in India is a story of the relentless march of British power, and these pages have been written for all who wish to know how it came about that the European empire which arose in India was a British Empire. Those who seek to learn what changes were wrought within Indian society by the coming of a few thousand invaders from the West must await the work of Indian scholars willing to embark upon the as yet almost uncharted sea of India's economic and social history in the eighteenth century.

³⁴ H. M. 208, papers *re* a scheme to enlarge East India Commerce *c.* 1791/1793; according to the plan a capital of £8,000,000 in bonds was to be divided thus: London, £3,200,000; Liverpool, £1,600,000; Bristol, £1,600,000; Hull, £800,000; Glasgow and Leith, £800,000.

APPENDICES

APPENDIX A

A NOTE ON THE STEWARDSHIP OF THE COMPANY'S SERVANTS

THE STORY of European expansion in India in the late eighteenth century possesses many unsavory features, but no one living in the twentieth century should pass a judgment of universal condemnation upon the chief actors in that story. These men, the servants of the English East India Company, should be judged in the light of the standards of their own age. They were neither better nor worse than many other groups of their countrymen whose lot it was to lead another kind of life. The Company's servants, from the highest to the lowest, cannot and should not be dismissed en masse as a group of corrupt individuals with no standards of conduct, self-seekers in a welter of peculation and intrigue, "writers who cannot write," "cadets who cannot speak English," and "doctors' mates who cannot let blood."¹

The eighteenth-century Briton was in India first and foremost to benefit himself and secondly to benefit the British nation. None of those who impeached Hastings seriously thought that the game of ruling Bengal would ever cease to be played. They strove to have it played according to rules which would prevent the oppression of any group among the subject races. A similar idea underlay all the reforming zeal of Cornwallis and his associates. British India was a plantation or estate to be managed for the benefit of the British nation without oppressing either the weaver or the peasant who were to be governed more efficiently and justly by the British than by a local nawab or raja. The population in British controlled territory were considered as conquered and were so treated. Whatever the *de jure* situation might be, all Europeans and Indians recognized the paramount authority of the Company's sword as far as it extended. The imperialists of that day did not question the justice of their actions and they had no illusions as to what they were doing.

Once in India, the European moved in a world totally different from his own, so different that the passing of moral judgments on the conduct of Company servants becomes an impossible and thankless task. Anyone who believes that the relationship of the European

¹ *A Letter to the Proprietors and Directors of East India Stock* (London, 1783), attributed to Joseph Price.

to his Indian servants and dependents in the eighteenth century was always one of oppressor to oppressed should read widely among the European wills probated at the three Presidency towns. He will find there a record of the faithfulness and affection between European master and Indian servant which was typical of Anglo-Indian life.²

It is characteristic of this period that friendly relationships between the two races were closer because of the existence of the Indian mistress or Luso-Indian "housekeeper" in most European households. Europeans who failed to provide adequately for the future of their Eurasian offspring were rare indeed, and there are wills which appear to give illegitimate children more protection than legitimate when the testator was obviously supporting two households. The mother in the Eurasian household, whether her origin appears to have been Hindu, Mohammedan, or Luso-Indian, usually received a type of consideration which indicates real affection between individuals of the two races. Many a Company servant who had acquired a mistress while campaigning far in the interior of India saw to it that she should receive every attention and courtesy while being returned to her own country after his death.³

In any consideration of the relationship between Europeans and Indians at this time, it must never be forgotten that since Europeans became a part of Indian society, the problem cannot be considered entirely on racial lines. The European belonged in fact to a superior caste, and his relationship to other elements in Indian society was somewhat similar to that of other superior castes. If his connections with servants were loyal and affectionate, so were the analogous ties within Indian households. If his conduct as landlord, taxgatherer, or merchant prince were oppressive and extortionate toward weaver and peasant, he was not alone in taking advantage of the superior

² See especially Bombay Wills and Administrations, 1782-1793, will of John Blackman, Sept. 25, 1787 (trust fund 14,000 Rs. for benefit of Mohammedan servant); also nuncupative will of Peter Bryson, captain of the *Bombay Castle*, June 19, 1792; also Bengal Wills and Administrations, 1802, will of John Britow, Dec. 2, 1802; *ibid.*, 1798, will of James G. Hoare, Aug. 20, 1798, "My moonshi . . . has acquitted himself in a way to me which I could never have sufficiently rewarded had I lived."

³ See especially Bombay Wills and Administrations, 1782-1793, will of George Green, Mar. 23, 1790; Thomas Goddard, Jan. 13, 1784; Benjamin Hollanley, July 19, 1784; George Emptage, Jan. 1, 1785; William Goforth, June 7, 1785; Emanuel Henny, May 31, 1787; also Bengal Wills and Administrations, 1798 Richard R. Hunter, Mar. 26, 1798; Samuel Potter, Nov. 26, 1798; 1811, George Ball, Dec. 12, 1811. Ball provided his mistress with a suitable *budgerow* and two trusty *chaukidars* for her journey to Delhi, and instructed his friend John Palmer to "leave nothing undone that can secure her safe and comfortable return to the bosom of her family."

economic power which made such oppression possible.⁴ By his very presence, the European intensified the stratification within Indian society. He was forced to accept the conventions of life as it was lived by the economically privileged groups with which he came into closest contact. We are dealing with a period long before the advent of European women in large numbers brought about a great racial cleavage between the rulers and the ruled. In these years, Company servants exchanged hospitalities with their Indian friends. European and Indian were often in business relations with each other in which the obligation was not all on the Indian side.⁵ Both had a position to uphold in a complex economic and social order, and both were anxious that the privileges which they held by birth, wealth, or conquest should not be curtailed.

True oppression of Indians by Europeans was usually to be found in harsh treatment of peasants and weavers by Company servants and other Europeans acting through greedy "*banias*" and *gumash-tahs*. Cornwallis, who inveighed again and again against such evils, did much to mitigate them.⁶ There is no doubt that a distinct improvement took place in the treatment of these classes of workers by Europeans during the decade to which we have devoted the most attention. This improvement was not uniform. It is axiomatic that the further the European went into the *mufassal*, the less he was subject to official control. The whole question of oppression of Indians by Europeans in this era is an enormously difficult one which can never be solved until trustworthy contemporary non-European evidence can be set side by side with the testimony drawn from the Company's records. The issues are not simple. There is good reason for thinking that wages for many forms of menial labor were lower outside of the Company's territories than within them,

⁴ Cf. N. L. S., Melville MSS 1072, f. 108, letter of John Haliburton to Dundas, Nov. 17, 1786, *re* Haliburton's son at Madras who had bought a "coconut-tree farm": "I hope he shall be better employed this way than plundering Zemindars and country farmers. He has formed a great intimacy with these natives from his being so much master of Persian and Moorish, and he is very fond of them, and they of him, as I am told."

⁵ Cf. Fac. Rec., Surat 69, Con. July 26, 1791, account of dispute between J. Caetano de Mello, a Portuguese shipbuilder who emigrated from Portugal to Goa in 1783, and Nagundass Golaubdass, a *shroff* of Surat. The case concerned a large "country" ship and shows that Golaubdass had de Mello completely in his power.

⁶ Cf. N. L. S., Melville MSS 1072, f. 165, letter of Cornwallis to H. C. Michell, Nov. 10, 1792. Cornwallis praises Michell for his "zealous exertions and judicious and benevolent conduct towards the weavers," and speaks of the spirit of "oppression and extortion," which "prevails so universally in native agencies."

but until we have fuller price and wage scales for the whole country, speculation on such subjects can be no more than conjectural.⁷

There were very few Europeans who believed that Indians deserved more protection than they actually received under the Company's government. The principles and ideals of the age are forcibly brought home to us by the fact that among the hundreds of documents from official records used in making this study of European expansion in India there are only two to be found which plead the necessity of special protection for Indians. Both these documents bore no fruit at the time. Oddly enough, one of these suggestions for ameliorating the lot of the Indian peoples appears to have come from Richard Atkinson whose own fortune was made by selling rum of poor quality to British troops during the American War. A letter attributed to him reads:

In order to put an effectual period to corruption and peculation in India (and unless that is done the Company's affairs can never prosper in that country nor this nation be enriched therefrom) I would propose that a person be appointed by legislative authority under the denomination of *Protector of the Indians* who shall be empowered to receive from the natives of India complaints of oppression or peculation against all British subjects, civil or military in the service of the Company Free merchants or others.⁸

The other document concerned with the protection of Indians is a letter written to Dundas on May 12, 1793 by Richard Johnson, a former resident in Calcutta who was then living in retirement in Florence. Johnson concluded this long letter as follows:

I must not dismiss the subject without one consideration how far the natives of India should be employed by system in the management of themselves. To teach and enlighten them much will not tend to strengthen the hands of their subjection. They are already very much employed. Our battalions are filled with Hindus and Mohammedans under a good policy nearly equally divided. Hindu pundits and Mohammedan Mouliveas as well as Kasees are employed in the adawluts. Native agents are employed throughout the collections, an immense list, and native brokers and manufacturers in the monopolies and commerce. Also, native cashiers, accountants, and coiners in our finance department and native copyists

⁷ There is scattered and very fragmentary evidence on this subject in the French E. I. Company's records, see for example data on wages of menial labor in Calcutta 1788-89 in A. N. AJ¹ 306, e.g., monthly wage of European overseer, 30 Rs.; Indian *sircar*, 15 Rs.; porter, 4½ Rs.; *chaukidar*, 4 Rs.; cooly 3 Rs.

⁸ Charters 9, "Hints" offered for the considerations of the ministry and the Company for the regulation of affairs in India, dated 1783, and endorsed in pencil on back as "Mr. Atkinson's" plan.

in our general department of control. These make already a very large list and should in their aggregate be kept in view.

But we have no officer, English or native, or both united, among all our managers superior and subordinate to keep a vigilant eye upon the general native interest. The King's court of justice is certainly open, and may be appealed to against a direct open sufferance, or injury, and opposing members in Boards may be found who would be ready enough to grace their declamations with such topics. Yet I have felt upon the spot that it would infinitely conciliate and gratify the natives if their conquerors visibly and ostensibly appeared to make the consideration of their interests an integral part of the system. An approved agency of this sort happily selected from among those of the best character might not only comfort and attach the natives but gratify many humane minds among our countrymen and others who, not participating in the system, think the vengeance of Heaven called down upon the nation for a conquest and management in which no feature is visible save our own interest absolute and exclusive. This may appear fanciful and misplaced, yet the intention may plead its pardon.*

These are the only two documents, unconnected with the nascent Christian missionary movement in India, which advocate special measures of protection for the Indian peoples. Neither of them is written by a European who appears to believe sincerely that the Indians should receive further protection primarily for their own sakes. Those imbued with the missionary spirit, and the few idealists among Hastings' accusers who genuinely believed that they were helping to rescue the people of Bengal from oppression and extortion, had the welfare of the Indian population primarily at heart. Most of the others who inveighed against "corruption and peculation" in India at this period were interested first and foremost in preventing unscrupulous individuals from stealing from the Company or the British nation. To such men better conditions among weavers and peasants appeared desirable and a good in themselves but they never forgot that improvements would bring with them a more profitable relationship between Britain and India. An impoverished Bengal was not a British interest.

It cannot be too strongly emphasized that, though these years were filled with good resolutions for prosecuting Company servants for peculation of all kinds, these resolutions were no more than pious gestures in nearly every case. The effective reforms of the Cornwallis period took place *de novo*. All peculation previous to the inauguration of any particular reform was privately connived at though publicly condemned in Leadenhall Street.

* H. M. 435, Richard Johnson to Dundas, May 12, 1793.

The best evidence of the complacency with which the Company viewed the malfeasance of its servants may be found on the records of the General Court of Proprietors. Here at meeting after meeting, guilty servants were restored to the service or excused for violations of the bylaws. The voting on such cases is an index either of the paucity of attendance at these meetings or of the indifference of those present to the whole question, for the number of votes recorded in favor of the Company's interests seems to have been negligible. On January 14, 1789, for example, the Honorable Basil Cochrane, whose misdeeds are spread on the Madras "consultations" of the previous years, was restored to the Company's service by a vote of 71 to 1.¹⁰ Similar restorations and exemptions may be found on almost every page of the shareholders' minutes during the 1780's, usually by votes of less than 200 ayes to a handful of noes.

The Court of Directors made much of their determination to force the speculators of the Hastings era to disgorge their ill-gotten gains. Of the directors' efforts on this score, a contemporary observer said with great truth, "Suits upon suits were instituted in which unfortunately the innocent have been blended with the guilty and some of the most egregious plunderers have remained unnoticed."¹¹ The venerable Lawrence Sullivan expressed the same view in another way when he wrote a few months before his death, "I do not assert that the Court of Directors have not felt and pointed out to their servants abroad most of the evils complained of, denouncing vengeance upon proof of guilt; but the detection of mal-practice or misconduct has in general issued in the admission of some flimsy vindication or in threats never carried into execution."¹² The truth of such observations as these is amply supported by evidence drawn from the mass of the Company's legal papers known as "Auditor's References."

Typical of the many innocent who were "blended with the guilty" was a civil servant in Bengal named William Rooke. The protestations of innocence by Rooke bear every mark of sincerity. His letters to the Court of Directors give by far the fullest account of the conditions under which a Bengal civil servant had to work. Rooke's period of service, which began in the early 1760's, extended over

¹⁰ Gen. Court Minutes, 7, proceedings of Jan. 14, 1789; cf. Sept. 26, 1787, Col. Hartley permitted to return to Bombay, poll 20-0; Oct. 11, 1787, Capt. William Smith restored to the service, 178-0, Patrick Burt restored, 178-0; Sept. 24, 1788, Capt. Bruce Boswell of the *Chesterfield* restored, 188-2.

¹¹ H. M. 399, "Account of Imports from India to Europe" written c. 1792.

¹² Misc. Let. Rec'd 76, "Mr. Sullivan's plans for arrangement at home and abroad," dated Mar. 15, 1785.

twenty-four years, during which he rose from the bottom of the ladder to a seat on the Company's Board of Trade at Calcutta. Having attained this seat in his twentieth year of service he "sat there for three years and a half and received such sums of money as the President [of the Board] periodically gave me under the notion that they were the established perquisites of my office." Rooke then pointed out that, under the pre-Cornwallis system, the official salary of a member of the Board was 14,400 current rupees or roughly half that attached to the chiefship of Purnea from which he had been promoted. The true difference was actually greater because of the higher standard of living which Europeans were forced to maintain in Calcutta. For this reason, as he said, "Perquisites were distributed from the first institution of the Board [1774]; I could not presume that this was unknown either to the Governor and Council or to the Court of Directors." Rooke felt that the Cornwallis reforms which raised the salary attached to his office to 58,000 current rupees fully justified the acceptance of perquisites under the old system. He thus described his anguish and disappointment on returning to England.

In this honorable station [Board of Trade], I continued till I thought I had saved sufficient to enable me to support myself as a single man in a moderate stile of living in my native country. . . . I immediately on my arrival in England learned what I did not suspect before, that, without being heard in my own defence, I was dismissed from the Company's service, and soon after, I found I was one of seven Gentlemen who were selected for a public prosecution in the Court of Chancery. . . .

Now, Gentlemen, the reason of my troubling you is this; I have through my life endeavoured to avoid all dispute and litigation.

I feel that the present suit materially affects my Health and Spirits as well as my Purse, and I ardently wish to have it put an end to.

I am ready to give you any information respecting myself that you can desire, for having done nothing more than my predecessors have been indulged in doing, I feel I have done nothing to be ashamed of. But I wish to know from the Honorable Court whether, after twenty-three years service, they mean to take from me the greatest part of my fortune and reduce me to an income so narrow that I must be distressed or whether they will not think it reasonable that I should have some further allowance than the £1,500 during the three years and a half I assisted at the old Board of Trade.

In every service and in every Country in the World we know there are perquisites received which if publicly canvassed, could not be supported, and which yet are allowed or connived at because the established salaries are too small to support the officer. I am ready to let your honors know what I have received, and to put a stop to all further litigation, and to

pay into the Company's Treasury what sum can reasonably be required. My fortune is small and any sum almost will seriously affect it. But being a single man and having not embarked in an expensive Mode of Living, I would readily sacrifice a reasonable Part of that Fortune to put an end to all further Anxiety and Vexation.¹³

In a later letter Rooke stated that his perquisites totaled 137,907 current rupees, or £14,365, and urged the directors to be lenient with him because the failure of one of his agents had involved him in a "severe loss."¹⁴ Presumably he was allowed to go free after paying a nominal amount, for there is no mention of him in the Chancery proceedings. There seems to be little doubt that he was a person of far higher character than many of his contemporaries and his case best illustrates the difficulties of judging the Company servant by any standard which does not take full account of the conditions under which he worked. Unfortunately we know little of men like Rooke for it was the doings of the less scrupulous members of the service which commanded the most attention.

Rooke and others of his kind were thrown into an atmosphere where the unscrupulous were scrambling for wealth with a vigor characteristic of all similar periods of imperialistic expansion. We have already seen examples of this in the correspondence of Joseph Fowke and his friends. The doings of those who were immediately under attack in Chancery suits were recounted in the letters of Robert Palk whose estate was remitted to England through so many different channels. On December 18, 1782, Palk wrote to one Collinson that he might as well go to Bauleah right away "to learn your trade and get a knowledge of the knaves you will have to deal with." In the same year, he chided Francis Law for not staying at Chittagong because "you will deprive yourself of a share of the commission which may be 5 or 6,000 pounds a year by keeping out of the way and what excuse can you make to your friends for thus neglecting your interest."¹⁵ To the same period belongs a secret letter from Edward Wheler, one of Hastings' councilors, to John Benn at Benares: "I wish you to send me properly stated those advantages which you represented when last in Calcutta, to appertain to the Residency of Oude and which are publicly drawn by a percentage upon the revenues . . . you may rely on my caution in the use of them and likewise in the destruction of the paper, so soon as I have taken

¹³ Aud. Ref. 6, W. Rooke to Court of Directors, Feb. 11, 1792.

¹⁴ *Ibid.*, letter, Nov. 25, 1793.

¹⁵ B. M. Add. MSS 34,685, f. 92, R. Palk to C. S. Collinson, Dec. 18, 1782; f. 86, to F. Law, Sept. 4, 1782.

the copy.”¹⁶ Hardly a letter in collections of this sort fails to give support to Joseph Fowke’s dictum: “There is nothing which is not governed by intrigue in this most accursed country from the treasury office to the butcher’s shambles.”¹⁷

When we examine carefully the papers of the Company servants whom the directors attacked in lawsuits to satisfy the demands of reformers, we find them monotonously similar in character. Long-winded explanations placing the blame for collusive contracts and corruption upon Indian “banians,” “gumashtahs,” and “dubashes” were the preliminaries to the law’s delays, the filing of plea and counter-plea, and the interminable waiting for depositions to be taken in India more often than not from individuals who had died or disappeared. In nearly every case, the defendant described his fortune as ruined, often through his being forced to realize Company bonds when they were at a heavy discount. One Francis Potenger threw the entire blame for his plight on his *dewan*, Dyachund, who made up a set of false books for the purpose of cheating both Potenger and the East India Company. Commenting on this deposition the Company’s solicitor said:

On the report for Dacca it appears that Potenger actually received to his own use a part of the money obtained by the fraudulent practices of Dyachund under the immediate direction doubtless of the chief, Mr. Cotterell, and the charge of connivance and participation of this profit at least is brought to Mr. Potenger.¹⁸

In nearly every case, the defendant thought himself very ill-used. One man entertained the hope that something less than £15,000 might be deemed “a sufficient mulct.” Another claimed that he had lost his fortune, “all he had earned in the bounteous service of the East India Company.”¹⁹ Another bemoaned the fate of two of his Indian servants who had died of broken hearts after testifying against him.²⁰ There was no marked difference in the behavior of military as compared with civil servants when under investigation. Colonel William Fullarton, a friend of Dundas, sent in masses of papers justifying his conduct during the American War although the

¹⁶ Eur. MSS E 9, item 65, E. Wheler to J. Benn, May 13, 1783.

¹⁷ Eur. MSS E 6, item 29, J. Fowke to F. Fowke, Sept. 21, 1784.

¹⁸ Aud. Ref. 5, F. Potenger to Court of Directors, Jan. 18, 1790, endorsed by G. Rous, Jan. 21, 1790.

¹⁹ Aud. Ref. 6, W. Aldersey to Court of Directors, Nov. 2, 1794; Donald McLeod to Court of Directors, July 2, 1793.

²⁰ N. L. S., Melville MSS 1072, f. 123, papers *re* case of Thos. Keating, Sept. 15, 1798.

evidence was overwhelming that his bullock *chits* were altogether too numerous. The suits against some of these defendants dragged their slow way through Chancery, eventuating in small awards for the East India Company which hardly paid their legal costs.²¹ Others were allowed to lapse, a procedure which caused at least one successor to an office held by a culprit to burst forth in wrath at the directors for restoring the said culprit to his rank while they professed full satisfaction of his guilt and "passed many encomiums on the Board of Trade for their conduct of the investigation."²² In other cases, such as Potenger's, the guilty party was permitted to "exculpate himself" and resume his rank. When a defendant died his estate was usually represented as bankrupt by the executors.

In 1793, the Company's solicitor, on making up a "state of suits to which the Company is a party," found the results of ten years of effort to combat speculation to be negligible.²³ Only five of the eight important suits on this list were still alive, all of them hopelessly tangled up in a web of subterfuges and delays on account of the death or absence of witnesses. The solicitor wrote them all off as unworthy of further consideration. He had long since expressed his opinion that the directors would "seldom find delinquents to prosecute or servants to dismiss" if "a simple assertion of innocence shall be sufficient to restore a gentleman to the service and confidence of the Company."²⁴ Like everyone else intimately connected with Leadenhall Street, he knew few of the directors cared a whit whether the suits against speculators were prosecuted or not. No witness relished having an experience such as that which befell honest John Macarty, chief mate of the Botany Bay ship *Albemarle*, who, "induced by the great encouragement held out by the Honorable Court," testified against illegal practices and thereby lost his wages because he had incurred the enmity of "powerful people" in London.²⁵ Everyone concerned regarded the Company as merely a device to further the private interests of the groups which composed it, and it is hardly astonishing that the majority of the culprits should have escaped unscathed from prosecutors most of whom had

²¹ Aud. Ref. 4, W. Jackson to W. Wright, Mar. 24, 1788. See P. R. O., Chancery Proceedings C 12, 149/13, 175/27, 168/26, 182/35, and items representing awards on the Company's Home Ledgers and Journals 1789/93.

²² N. L. S., Melville MSS 1072, f. 165, H. C. Michell to Dundas, Mar. 17, 1797.

²³ Corr. Mem. 35, "State of suits to which the Company is a party," 1793.

²⁴ Aud. Ref. 5, F. Potenger to Court of Directors, Jan. 18, 1790, endorsement by G. Rous, Jan. 21, 1790.

²⁵ Aud. Ref. 6, petition of John Macarty, Aug. 28, 1793.

themselves been speculators in an earlier and more colorful era of Indian conquest.²⁶

Of all the men who were touched by these investigations in the 1780's, Charles Grant provides the most interesting subject for speculation to the student of human nature. Here is a man who appears in his published letters and diaries as a spotless character, yet the Dutch company's records at The Hague and other contemporary manuscripts reveal him in a far less saintly light. We not only find the future India director and pious member of the famous Clapham sect engaged in furnishing the Dutch with cloths by means of transactions which have to be hushed up, but we also find him in close association with men whose characters are not at all spotless. On August 14, 1782, Grant wrote to John Benn, "I wish the result of your commercial enquiries may be so encouraging as to give a prospect of my being any way useful to you in this part of the Country, a thing from which I should receive much pleasure."²⁷ Ten days later, Robert Palk wrote to Richard Becher, "You will hear from Grant the allotments in silk we reserved for him although we were of opinion from his private letter to Mr. Dacres [one of the men prosecuted in Chancery] that he would decline the provision altogether; his quantity is but small and in the same degree we have been obliged to disappoint many others." To the same period belongs a letter from Palk to Stephenson about various deals in saltpeter in which Grant may have been concerned. On this subject, Palk said, "We have got an order on Brooke for the balance account of your petre 2,42,000 CR's payable as the state of his treasury will admit and Crofts assures me Brooke will [pay] as fast as he possibly can — By your account, Kennaway has been confused in his order to you, but it is immaterial, Grant's name should not have been mentioned,"²⁸ Two years later Grant was writing in his diary, "What concerns me most here is to review my gains, to see that none of them are exceptional and to admire the goodness of God that

²⁶ Cf. *Strictures and Occasional Observations upon the System of the East India Company* (London, 1792), p. 79. "Much the same struggle for power and intrigue for confining the Direction to the aristocracy of the House List; the same secret influence of a powerful combination of ship-owners; the same expensive home establishments continue at the present hour to burden and embarrass the real interest of the Proprietors. Most of the persons employed in it are attached to the system by long intimacy, and by . . . a variety of complicated interests, connections and dependencies."

²⁷ Eur. MSS F 3, item 47, C. Grant to J. Benn, Aug. 14, 1782.

²⁸ B. M. Add. MSS 34,685, f. 82, R. Palk to R. Becher, Aug. 24, 1782; f. 83, Palk to Stephenson, Sept. 4, 1782.

has given me power to get wealth.”²⁹ In a long earnest memorial Grant cleared himself to Lord Cornwallis’ satisfaction of all complicity in the silk contracts. It is obvious that Grant was of far finer clay than the majority of his colleagues in the Bengal Civil Service. If he faltered, others like him have similarly faltered. No environment was better suited than that of eighteenth-century India to provide firm roots for those forces within the human spirit which have driven many a merchant with a conscience to become a monk.

A brief acquaintance with the careers of Company servants in the last decades of the eighteenth century will convince any careful observer that they were not seekers after *great* fortunes. The day for that had passed, and the Company’s records are strewn with the wreckage of more than one large fortune whose possessor had once ranked as a great “nabob.”³⁰ Most of the lads who paid a ship captain a hundred guineas and embarked with a sea chest, a case of bottles, “14 of a hundred of Castle-Soap,” 18 “cheque” shirts, 2 velvet jockey caps, 2 wigs, and three pounds’ worth of books “of amusement and instruction,” were seeking what was known as a competence.³¹ Many of them bade farewell to parents who had after months of wirepulling gained comfortable berths for these offspring who would no longer burden the family budget. Some went reluctantly, for we find one Russell writing to Francis Fowke, “Your success in India will, I hope, induce you to alter your opinion about being sent thither; had you stayed in England, you might have spent by this time ten thousand pounds in training for the bar and be just coming in to the profits and honors of that profession.”³²

Few of those who sought to make their way in India at this time expected ultimately to rise high in the English social scale. On this point, Joseph Fowke wrote to his daughter:

Your brother’s fortune joined to other reasonable expectations will as far as fortune goes enable him to move in the Circle of the Gentry, and, in that circle I think you are most likely to meet with happiness, but even this is much above the standard of the generality of Indians who return from this country.³³

²⁹ H. Morris, *Life of Charles Grant* (London, 1904), p. 80.

³⁰ On this point, see especially an account of the wreck of Sir Thos. Rumbold’s fortune sent by his executors to the Court of Directors: Aud. Ref. 5, Ewan Law and Edward Law to Court, Dec. 6, 1791.

³¹ B. M. Add. MSS 35,918, f. 222, “Necessary expense of fitting out a lad for the East Indies.”

³² Eur. MSS E 7, item 93, S. Russell to F. Fowke, Nov. 6, 1787.

³³ Eur. MSS E 6, item 107, J. Fowke to Margaret Fowke, Oct. 2, 1786.

To a young girl, India was a last resort and nearly all welcomed an offer from some indulgent relative to send them thither with as little enthusiasm as Sophia Fowke who wrote to her brother, "As I look upon my fate at best to be a very poor one, India, even on the terms you represent it situated as I am, I prefer to anything England will afford me; it is the only alternative, and I will embrace it with joy." ³⁴

For most of these men and women India provided an opportunity to move up a notch or two in the social scale, not a chance for leaping all barriers between the bottom and the top. The seaman, used to the slums of Deptford, wanted to become an independent "country" captain; the youngest of a numerous brood in a lower middle-class household or country vicarage wanted to come home and live the life of a prosperous merchant; the impecunious younger son of the gentry wanted to gain distinction which might place him among the titled. Prior to 1780, the Anglo-Indians were a somewhat amorphous mass, volatile and capricious without solidity. The next two decades were those of the formation of a caste, for to these decades belong the real founders of many an Anglo-Indian clan, and, thanks to Dundas, of nearly all the great Scottish Indian clans of nineteenth-century empire-builders.

To speak of the stewardship of the Company's servants in these decades is in a sense misleading for they were not good and faithful servants. Their sense of loyalty, whenever they possessed one, was a loyalty to the British nation. They were not the vanguard of expansion but the serried second rank who came rather late to the feast. Over all their doings hung an atmosphere of uncertainty, speculation, and fear. There was hardly a man who felt certain of his fortune once he had acquired it. The ruin of many a princely fortune, like Sir Thomas Rumbold's, stared them in the face. Large numbers of them worked in the atmosphere of disillusionment which led one of Isaac Titsingh's colleagues who was bemoaning his fate to quote the Persian proverb, "O world full of radishes, cucumbers, and lemons, here men sip small beer and tap outworn shoes." ³⁵ The majority of the Company servants may have had no motive higher than that of securing the degree of social security which they desired, but among them there appears to have been a high percentage of men who thought of more than the balance on their private account

³⁴ Eur. MSS E 7, item 98, Francis Fowke, the elder, to his nephew Francis Fowke, Oct. 4, 1787, quoting a letter of Sophia Fowke.

³⁵ A. R. Falck MSS B 10, "Staatkundigt en beredeniert betoog," *re* Dutch Company's affairs in Bengal, 1757-1789.

books at the end of the year. Within this group were to be found the scholars, men of letters, and scientists whom the East India Company supported.

No matter how confused the state of their finances, the East India directors were never niggardly in rewarding intellectual achievement. The Cornwallis reforms, with the enforcement of fixed and adequate salaries, tended to increase the number of men who could safely pay attention to something other than their financial interests. In literature, this is the period of Marsden's *History of the Island of Sumatra*, Dalrymple's *Oriental Repertory*, and Gladwin's translations of the *Ayeeen Akbari*, not to mention Sir William Jones's monumental works on the laws, languages, and social institutions of Hindustan. William Kirkpatrick planned his Hindi grammar to supplement the works of Jones and Richardson on Persian and Arabic, and that of Halhed on Bengali.³⁶ The 1780's saw an ever larger number of Company servants preparing manuals on the dialects of their districts and translations of both Mohammedan and Hindu works on law. Sir Charles Malet, in spite of his arduous diplomatic duties at Poona, found time to work on a history of the Mahrattas.³⁷ All these men, whether they were senior or junior servants, received the commendation of their employers in Leadenhall Street who always subscribed to many copies of their works and often gave them other financial support.

In science, these are the years when Dr. Roxburgh made his great study of the plants of southern India. In the same region, James Anderson experimented with the introduction of the cochineal insect into India and with new methods of making silk on the Coromandel Coast. Meanwhile, Lieutenant Colonel Kyd, aided by advice from Sir Joseph Banks, founded Calcutta's Botanical Garden and sent out men to collect rare plants from Nepal, Tibet, and China. In the later 1780's Michael Topping, with an assistant, named Goldingham, surveyed the whole east coast of India, a truly remarkable feat, which made possible the correction of imperfect nautical charts and supplemented the work of the great Anglo-Indian cartographer of this period, James Rennell.³⁸

A few courageous surgeons of the East India Company attempted

³⁶ An original "memorial" by Halhed to the Court of Directors in N. L. S., Melville MSS 1072, f. 96; see also petition of W. Kirkpatrick, Misc. Let. Rec'd 75, July 16, 1784, and of Francis Gladwin's father on his son's behalf, Misc. Let. Rec'd 74, June 6, 1784.

³⁷ Abs. of Disp. to Bengal 2, political letter of Apr. 25, 1792, para. 27.

³⁸ *Ibid.*, public letter July 3, 1795, para. 17, *re* Roxburgh; gen. letter July 31, 1787, para. 39, also public letter July 3, 1795, para. 39, *re* Kyd; public letter of

to battle tropical diseases with the aid of Mohammedan medical works, but they achieved no lasting results.³⁹ The terrors of the climate were as great at the end of the century as they were at the beginning of the British conquest. A modern study of this subject, if it could be made, would probably show that a European's chances of survival in India depended upon the strength of his constitution and upon nothing else. It seems clear that those who could remain alive in India for five years had a good chance of developing an immunity which might protect them during a normal European life span.

Company servants apparently made no progress in the arts. They contented themselves with sitting for the portrait painters like Ozias Humphrey who came out to lighten the purse of the prospective "nabob" before he reached home. The brothers Daniell were the best known painters of Indian scenes of this period and to them we owe most of our knowledge of the appearance of the European factories and Indian architectural monuments in the late eighteenth century. Their competitors, William Hodges and Matthew Brown, achieved far less distinction although the Court of Directors dutifully bought their pictures.⁴⁰

The artistic, literary, and scientific endeavors of Company servants were in large measure unsolicited, the result of the individual ambitions of men who found time hanging heavy on their hands after their official duties were fulfilled. Both the Company and the nation sponsored the more spectacular efforts of the explorers and navigators who charted the future course of British imperial expansion in the Eastern Seas. We have already taken note of the manner in which France outdistanced Britain in this respect. Neither the East India Company nor the Navy could match Vergennes' accomplishments as a director of widespread naval expeditions throughout the seas beyond the Cape of Good Hope. British exploits were fewer and less spectacular but had more enduring results, because the British already possessed a firm foundation on which to build. Lieutenant McCluer, Commodore Blanket, and their associates charted the unknown passages of the Eastern Isles in order to open the outer route to China. Lieutenant Blair explored the Andaman islands.⁴¹ The officers and

Aug. 20, 1788, paras. 12-29, *re* survey; James Anderson, *Correspondence for the introduction of Cochineal insects from America* (Madras, 1791).

³⁹ Abs. of Disp. to Bengal 2, public letter of Apr. 15, 1795, para. 118, *re* translation of a medical work called "Alfoz ul Odivat."

⁴⁰ For a complete account of British artists in India, see Sir William Foster, "British Artists in India," *Walpole Society Publications*, XIX (1931), pp. 1-89.

⁴¹ Abs. of Disp. to Bombay 1 A, gen. letter to Bombay, Mar. 8, 1785, paras.

men of the Bombay Marine charted the western coast of India and the Laccadive and Maldivé archipelagoes.

These and similar exploits of the East India Company's diplomats and explorers have received the most attention from historians. In this modern age which thinks in terms of "east of Suez" instead of "beyond the Cape," we have been inclined to pay too much attention to the opening of the Suez route in the 1770's and 1780's through the efforts of George Baldwin and to forget the faithful services of the British agents at Basra, Bagdad, Aleppo, Damascus, and Constantinople who safeguarded the real "overland route" to India in the eighteenth century. To these obscure men should go the credit for maintaining steady and uninterrupted overland communication with India during the years of which we write, for it was they who sometimes risked their lives and their purses to see to it that the Company's packets which were regularly dispatched to the banking house of the Frères Smitmer in Vienna arrived safely in Bombay.⁴²

The men who built British power in India were all in some sense adventurers. The ethics of competitive merchant adventuring in this or any other age have never been high. From many points of view, there is little to choose between the standards of business ethics practiced in Leadenhall Street and those practiced in India, save that in India the less privileged members of a conquered people were sufferers thereby. True as it is that the East India Company had become a mere device for the achievement of private ambitions, all these men were not entirely devoid of ideals and standards or of a sense of duty to the alien people among whom their lot was cast. The forces which were to build the paternalistic Victorian bureaucracy of the nineteenth century were already at work, but it should never be forgotten that with that bureaucracy came a lessening of true understanding of the kaleidoscopic life which is India. With all their faults and all their greed, the servants of John Company in the late eighteenth century often understood the peoples whom they had conquered better than did their grandsons.

20-30. For original letter of Blanket from the China Seas, see N. L. S., Melville MSS 1069, f. 69., Blanket to Dundas, Apr. 8, 1791; Abs. of Disp. to Bengal 2, public letter of Apr. 15, 1795, para. 25 *re* Andamans and Penang.

⁴² Not all the explorers of the Suez route have received their due; among the Melville MSS in my possession is the journal of Major Forbes Ross MacDonald who sailed up and down both treacherous coasts of the Red Sea in his own "country" ship in 1793.

APPENDIX B

STATISTICAL TABLES

TABLE 1

RECEIPTS AND EXPENDITURES IN LONDON ON ACCOUNT
OF THE EAST INDIA COMPANY'S TRADE WITH INDIA
(ten trading seasons 1783-84-1792-93)

Receipts	£	Expenditures	£
Proceeds of sales of India goods	21,077,443	Cost of goods exported..	2,208,979
		Cost of bullion exported..	721,914
		Cost of supplies exported	1,337,754
		India bills of exchange paid	7,911,633
		Interest paid on India bills of exchange	845,774
		Bond interest ($\frac{1}{2}$ total)..	540,741
		Bank interest ($\frac{1}{2}$ total)..	76,087
		Freight and Demurrage..	2,743,602
		H. M. Customs	5,100,424
		Charges Merchandise ($\frac{1}{2}$ total)	534,758
		Charges General ($\frac{1}{2}$ total)	126,538
		Charges in India	859,982
		Charges overland dispatch	25,793
		Directors' gratuities ($\frac{1}{2}$ total)	18,330
		Salaries of staff ($\frac{1}{2}$ total)	108,493
		Rents ($\frac{1}{2}$ total)	17,646
		Legal fees ($\frac{1}{2}$ total)	17,223
		Presents ($\frac{1}{2}$ total)	93,363
		H. M. Exchequer (military)	700,000
		Interest on notes issued in payment for copper and tin	40,498
Deficit on acct. of India after payment of dividends	4,516,666	Dividends paid ($\frac{1}{2}$ total)	1,564,577
	25,594,109		25,594,109

Notes on Table 1: The proceeds of sales of India goods are taken from the *Parliamentary Papers* (No. 1 of the India accounts ordered to be printed Feb. 20, 1793) for the six seasons 1787-88-1792-93 and from the figures compiled

by George Anderson (Home Miscellaneous 399) for the four previous seasons.

The figures for the expenditures have been compiled from the Company's Home Journals and Ledgers with the exception of the amount of Freight and Demurrage. In order to ascertain the amount of Freight and Demurrage properly chargeable to Indian account, it has been necessary to take Macgregor's total for nine seasons (1784-85—1792-93) £7,081,194 (*Commercial Statistics* IV, 411) and subtract from it Pritchard's total freight to and from China for the same nine seasons £4,444,120 (*The Crucial Years of Early Anglo-Chinese Relations*, p. 397). For the missing season (1783-84), we have only the amount in the Company's Home Ledger, £292,933, which is swelled by an indeterminate amount of refunds to shipowners. Taking these refunds at £20,000, the amount indicated by the Company's "profit and loss" page for 1783-84, and subtracting Pritchard's figure for freight on account of China (£166,405 for 1783-84) from the reduced total, we arrive at £106,528 as the figure for India Freight and Demurrage in 1783-84.

The expenditures on account of the Company's settlements at St. Helena and Benkulen are omitted. The deficit chargeable against them £795,952 for these ten seasons is almost exactly offset by the amount received by the Company for duties on private trade £749,047 during the same period.

If this table be compared with the calculations made by the compilers of the table in *Parl. Papers* (1831), V, 567, who likewise made an attempt to separate Indian from Chinese account the result is strikingly similar. The compilers of that table considered St. Helena and Benkulen as part of India, and made allowances for wrecked cargoes. Using their figures in the appropriate positions, we arrive at the following result for the ten trading seasons in question:

Receipts	£	Expenditures	£
Proceeds of sales India		Cost of exports (goods,	
goods 21,077,443		stores, and bullion)	4,637,586
Supplies sent from India		India bills of exch.	8,319,862
to China 944,290		Freight and Demurrage	
		(political account)	1,549,540
		Commercial Charges	
		(Indian account)	1,071,611
		Territorial Charges	897,480
		Military Charges	638,040
		H. M. Exchequer	700,000
		H. M. Customs	5,100,424
		Interest on bills	845,774
		Bond interest	540,741
Deficit on account of		Bank interest	76,087
India after payment		Interest on notes	40,498
of dividends 3,960,487		Dividends	1,564,577
	25,982,220		25,982,220

It thus appears that if in Table 1 we were to reduce the India deficit in London by the amount of supplies sent from the Indian Presidencies to Canton, that deficit would become £3,572,376, or only £388,111 less than the deficit as above calculated with the aid of the figures compiled in 1831.

TABLE 2
 RECEIPTS AND EXPENDITURES IN LONDON ON ACCOUNT
 OF THE EAST INDIA COMPANY'S TRADE WITH CHINA
 (ten trading seasons 1783-84—1792-93)

Receipts	£	Expenditures	£
Proceeds of sales China goods	24,163,863	Cost of goods exported...	3,191,540
		Cost of bullion exported..	3,766,686
		China bills of exchange paid	5,021,104
		Bond interest ($\frac{1}{2}$ total) ..	540,741
		Bank interest ($\frac{1}{2}$ total) ..	76,087
		Freight and Demurrage ..	4,610,525
		H. M. Customs paid.....	1,020,202
		Charges Merchandise ($\frac{1}{2}$ total)	534,758
		Charges General ($\frac{1}{2}$ total)	126,538
		Directors' Gratuities ($\frac{1}{2}$ total)	18,330
		Salaries of staff ($\frac{1}{2}$ total)	108,493
		Rents ($\frac{1}{2}$ total)	17,646
		Legal fees ($\frac{1}{2}$ total)....	17,223
		Presents ($\frac{1}{2}$ total).....	93,363
		Dividends paid ($\frac{1}{2}$ total)	1,564,577
			20,707,313
		Profit on account of China	3,456,550
			24,163,863
	24,163,863		24,163,863

Notes on Table 2: The proceeds of sales of China goods are taken from Pritchard (*op. cit.*, p. 397). The expenditures have been calculated as in Table 1. Pritchard's figure for the profit on the China trade, 1783-84—1792-93, £5,065,330 (before charging any dividends against profit) almost exactly agrees with the profit (before charging any dividends against profit) as calculated in this table (£5,021,127).

TABLE 3
 RECEIPTS AND EXPENDITURES IN LONDON ON ACCOUNT OF THE
 EAST INDIA COMPANY'S TRADE WITH INDIA AND CHINA
 (ten trading seasons 1783-84—1792-93)

Receipts	£	Expenditures	£
Proceeds sales		On account India	
(India goods)	21,077,443	(from Table 1)	25,594,109
Proceeds sales		On account China	
(China goods)	24,163,863	(from Table 2)	20,707,313
Deficit on acct.			
India and China after			
payment of dividends 1,060,116			
	46,301,422		46,301,422

Notes on Table 3: From this table it appears clear that the East India Company, in distributing to its shareholders £3,129,155 in dividends during this decade, paid out £1,060,116 more than it earned. As has been previously noted, the Company's own Ledgers and Journals mingled China and India goods together under the headings "Calico," "Drugs and Chinaware," and "Tea." According to the Company's books, the total figure for sales of India and China goods in this decade is £45,582,563, or only £241,000 more than the sum of the separate "India" and "China" sales figures which we have used. As the Company's totals of sales on its books are slightly padded with "refunds," the figures we have used are as accurate as they can be made. Those figures are, however, £100,000 higher for this decade than the total of Company's sales calculated by Robert Wissett in 1802 (*Compendium of East India Affairs*, vol. II).

TABLE 4

RECEIPTS AND EXPENDITURES IN LONDON ON ACCOUNT OF ALL THE
TRADE TO AND FROM INDIA FREIGHTED IN SHIPS CHARTERED
BY THE EAST INDIA COMPANY

(ten trading seasons 1783-84—1792-93)

Receipts	£	Expenditures	£
(National income on account of the lawful trade with India)		(Costs of exports and interest charges properly chargeable against the proceeds of the lawful trade with India)	
Net proceeds of sales of India goods rec'd into the E. I. Co.'s treasury	15,277,019	Costs of exports:	
Net duties retained by H. M. Exchequer on acct. of Co.'s goods sold	3,000,000	Goods (Company)	2,208,979
Portion of proceeds of Co.'s goods sold rec'd by H. M. Exchequer on acct. of military expense	700,000	Stores (Company)	1,337,754
Net proceeds of sales of India goods rec'd by the owners of home-ward "privilege"	3,669,498	Bullion (Company) ...	721,914
Net duties retained by H. M. Exchequer on acct. of "private and privilege" goods sold	650,000	Presents (Company) ..	93,363
		Charges on overland dis- patches	25,793
		"Charges in India" (sums paid on acct. military supplies)	859,982
		Goods (private and privi- lege)	1,000,000
		Bullion (private)	1,000,000
		Interest paid:	
		On Company bonds...	540,741
		On bank loans	76,087
		On E. I. Annuities.....	498,758
		On capital invested in E. I. ships	500,000
		On Company's notes ..	40,498
		On Company's stock (½ dividends)	1,564,577
			10,468,446
		Balance of profit:	
		(available to reimburse the empire-builders and meet the Exchequer's military and naval ex- penditures on Indian account)	12,828,071
	23,296,517		23,296,517

Notes on Table 4: The net duties to the Exchequer have been calculated as explained above on p. 313. The net proceeds of sales of "private and privilege" goods has been calculated as follows. The gross sale amount of goods sold in private trade is £6,909,511 (based on Wissett's totals for nine seasons 1784-85-1792-93 and Macgregor's figure in his *Commercial Statistics*, IV, 408 for the season 1783-84). From this, Pritchard's figure of £2,068,600 for China goods sold in private trade has been deducted, leaving £4,840,911 as the gross sale amount for India goods, of which £1,075,758 is the approximate gross amount of customs payable.

None of the other items on this table call for comment except £498,758 for interest on the so-called East India Annuities. This is the amount properly chargeable to Indian account, as half the total sum paid the annuitants in ten years. The Company received from the Exchequer £262,485 more than it paid over to the annuitants, but there would be no point in debiting half this amount on one side of this table and crediting on the other. In ten years, the Company paid one group of annuitants $3\frac{1}{2}$ per cent on £1,995,655 or a total of £698,483, and it paid another group of annuitants 3 per cent on £996,775, or a total of £299,032, making a grand total of £997,515, but the Company received from the Exchequer 3 per cent on £4,200,000, or £1,260,000 in ten years.

As has been pointed out on p. 314, the Company's Treasury in Leadenhall Street paid in this decade £11,501,009 on Indian account to the two most powerful India "interests"—the owners of India bills of exchange and the shipping "interest"—and in addition its Treasury paid £822,988 to lesser India "interests" at home, making a total of £12,323,997. This sum, minus the £500,000 charged in this table to interest on capital invested in ships, is only £1,006,000 less than the whole profit on the India trade carried on in ships chartered by the Company as here calculated.

APPENDIX C

TABLES OF CURRENCIES, WEIGHTS, AND MEASURES USED IN THE EAST INDIA TRADE

APPROXIMATE VALUE OF COINS AND MONIES OF ACCOUNT USED IN THE EAST INDIA TRADE IN TERMS OF THE BRITISH POUND STERLING 1783-1793

	£	s.	d.
Coins and monetary units in use in			
a particular locality:			
1 Bengal current rupee.....	0	2	0
1 Bengal sicca rupee.....	0	2	4
1 Bombay rupee.....	0	2	3
1 Arcot (Madras) rupee.....	0	2	2
1 Bengal gold mohur.....	1	12	0
1 Madras current (Star) pagoda.....	0	8	0
1 Madras (3-swami) pagoda.....	0	8	9
1 Porto Novo pagoda.....	0	7	1
1 Mocha dollar.....	0	4	0
1 Tranquebar rix-dollar.....	0	3	0
1 Batavia rix-dollar of 48 stivers.....	0	4	2½
1 Chinese tael.....	0	6	8
Coins in general use in the East:			
1 Spanish dollar.....	0	5	0
1 German crown (Kaisers daalder).....	0	4	0
1 "Venetian" (sequin or gold ducat).....	0	9	0
European coins and units of account:			
1 Dutch florin (guilder) of 20 stivers.....	0	1	10
1 French livre of 20 sols.....	0	0	10
1 Danish rix-dollar.....	0	3	6
1 Portuguese mil-reis.....	0	5	4

Notes on the values of coins and units of account: This table is intended to give approximate exchange (not par) values. Reference has been made in the preceding pages to variations in exchange. In general it may be said that the relation of the various types of rupees to each other is almost constant. The current rupee as an imaginary unit of account was always reckoned as 16 per cent worse than the sicca (newly coined) rupee of the Mogul regnal year taken as a standard since the 1770's. The Arcot rupee, when assayed, was normally 8 per cent worse than the sicca, and the Bombay rupee was normally slightly better than the Arcot. Although the Bombay rupee was a real coin formerly

minted either at Bombay or Surat, very few were in actual circulation in the late eighteenth century, for the Company, having discovered that the nawab of Surat had debased the coin which he was permitted to mint at Bombay, had long since suspended his privilege of minting at Bombay. The Company did not, however, begin minting Bombay rupees itself. Until 1800, Bombay continued to be furnished with rupees minted by the nawab of Surat in accordance with the old agreement. The consequence was that the Surat rupee, in general circulation in Bombay in the 1780's, was about 3 per cent worse than the Bombay rupee, in terms of which the Company's books were kept. Nevertheless, it is, it seems to me, misleading to speak of the Bombay rupee as if it were an imaginary unit of account similar to the Bengal current rupee. It should be remembered that no merchant in India, whatever standard he used, ever entered a sum on his books based on the *counting* of coins whether gold or silver; he availed himself of the services of a trusted shroff (*saraj*, professional money-changer) who *weighed* the coins and informed him of their value in terms of the standard used.

The various types of gold pagodas current in southern India bore a far less constant relationship to each other than the various types of rupees. The Porto Novo pagodas, so called because the Portuguese were supposed to have first minted them at Porto Novo in the sixteenth century, might be from 12 per cent to 20 per cent worse than Madras current or Star pagodas. The Company attempted to maintain the Star pagoda at $\frac{1}{4}$ of the Bengal gold mohur which was the equivalent of approximately $15\frac{1}{2}$ sicca rupees. The gold coinage of southern India represents the survival of a Hindu system based on gold which had elsewhere been partially or wholly superseded by the system of the Mohammedan conquerors based on silver.

In spite of these variations, it is clear that the Indian monetary units chiefly used by Europeans bore a relationship to each other which was easily understood by all traders. In terms of sterling, the exchange fluctuated within a comparatively narrow range. The Star pagoda stood normally at 8s. but at times within this decade it sank to 7s.6d. and rose to 9s.; the Bombay rupee was more constant and seldom varied from 2s.3d. except in the Company's arrangements with its bondholders; the true par of the current rupee was considered as 1s.10d. and it seldom rose above 2s.1d.

Although the Spanish dollar is here valued at 5s., it should be borne in mind that this coin, normally the New Mexico dollar, served as the most important medium of exchange from Mocha to Canton and commanded prices which varied according to demand. In 1789 the Spanish dollar (par 4s.6d.) stood at 6s.8d. at Basra, 5s.3 $\frac{1}{2}$ d. at Bombay, and 4s.9d. at Batavia. German crowns and "Venetians" were seldom seen in Malaya, but were very common along the Malabar coast, and in Arabia, Persia, and East Africa.

The figures used above are based primarily upon the ledgers and journals of the English, French, Dutch, and Danish East India companies. The most reliable contemporary account of Indian coinage and weights appears to be an anonymous pamphlet in the British Museum, *An Account of the Monies, Weights, and Measures in General Use in Persia, Arabia, East India, and China* (London, 1789). For the mechanism of European exchanges at that time, see S. Thomas, pseud. for Thomas Slack, *The British Negotiator* (London, 1784; 2nd ed. London, 1791). The best modern tables of Indian coins, weights, and measures are those of James Prinsep, *Useful Tables illustrative of the Coins, Weights and Measures of British India*, appended to vol. II of James Prinsep, *Essays on Indian Antiquities*, ed. Edward Thomas (2 vols., London, 1858).

A TABLE OF THE WEIGHTS COMMONLY USED IN THE
EAST INDIA TRADE

	lbs. avoird.
<hr/>	
The maund:	
1 Bengal "factory" maund.....	75
1 Bengal "bazar" maund.....	82
1 Bombay ordinary maund.....	28
1 Bombay "pucca" maund.....	74
1 Madras ordinary maund.....	25
1 Surat ordinary maund.....	40
1 Tellicherry ordinary maund.....	30
1 Anjengo ordinary maund.....	28
The candy:	
1 Bengal "factory" candy.....	1493
1 Bengal "bazar" candy.....	1642
1 Bombay candy.....	560
1 Madras candy.....	500
1 Surat candy.....	746
1 Cochin candy.....	543
1 Tellicherry candy.....	600
1 Anjengo candy.....	560
The bhar:	
1 Jidda bhar.....	222
1 Goa bhar.....	463
1 Acheen bhar.....	412
1 Bantam bhar.....	369
1 Benkulen bhar.....	560
1 Malacca bhar.....	450
1 Batavia bhar.....	408
The pecul:	
1 Batavia or China pecul of 100 "catties".....	136

Note on the above table: The maund (*man*), whatever its weight, was normally subdivided into 40 seers; and the candy (*khandi*), whatever its weight, was normally the equivalent of 20 maunds. The bhar (*bakar*), of Arabic origin, was, in Portuguese and Dutch India, the equivalent of the candy. The pecul (Malay *picul*, Chinese *tan*) was not in common use by "country" traders outside the Malay archipelago.

APPENDIX D

LIST OF ABBREVIATIONS

Abbreviations of classes of MSS in the India Office (Commonwealth Relations Office)

Abs. of Disp. Abstracts of Despatches

Aud. Ref. Auditor's References

Bombay Gov. Let. Rec'd. Bombay Governor's Letters Received

Corr. Mem. Memoranda of Committee of Correspondence

Court Book. Court Minutes (Court of Directors)

Dutch Records. "Dutch Records" series

Eur. MSS. European Manuscripts

Fac. Rec. Factory Records

French-in-India. "French-in-India" series

Gen. Court Minutes. General Court Minutes (Court of Proprietors)

H. M. Home Miscellaneous series

Madr. Pub. Con. Madras Public Consultations

Madr. Mil. Con. Madras Military Consultations

Madr. Gen. (or Comm.) Journ. Madras General (or Commercial) Journals (and Ledgers)

Madr. Treas. Journ. Madras Treasury Journal

Marine Misc. Marine Miscellaneous series

Misc. "Miscellanies" (Secretary's letters out)

Misc. Let. Rec'd. Miscellaneous Letters Received

Port. Trans. Portuguese Translations

Other abbreviations

British Archives

B. E. R. O. Bank of England Record Office

B. M., Add. MSS. British Museum, Additional MSS

P. R. O. Public Record Office

N. L. S. National Library of Scotland

French Archives

A. N. Archives Nationales

A. A. E. Archives du Ministère des Affaires Etrangères

Dutch Archives

A. R. Algemeen Rijksarchief

A. R. K. A. Koloniaal archief series (general series of which the following form a part)

- A. R. O. B. Series of letters received by the Dutch East India Company from its servants in the East (Brieven overgekomen van Indie)
- A. R. O. I. Comité. Archives of the committee which was placed in charge of the Dutch company's affairs after the outbreak of the French Revolutionary Wars
- A. R. Uncat. Uncatalogued MSS transferred to The Hague from Batavia

Danish Archives

- D. R. Rigsarchiv
- D. R., As. Co. Records of the Danish East India Company
- D. R., Kommerce-kollegiet. Records of the kommerce-kollegium (department of commerce and trade, eighteenth century)

APPENDIX E

AUTHORITIES ¹

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¹Place of publication of printed works is London unless otherwise specified.

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- Tranchell, Major H. G., *Catalogue des cartes, plans et projets d'études au dépôt des anciennes archives de Pondichéry*, Société de l'Histoire de l'Inde Française (Paris, 1930).
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LISTS OF OFFICIALS, EAST INDIA COMPANY SERVANTS, AND EAST INDIA SHIPS

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ORIGINAL SOURCES: MANUSCRIPT

BRITISH

Manuscripts in the India Office (Commonwealth Relations Office)

The official records and private correspondence, formerly in the custody of the East India Company and the Board of Commissioners for the Affairs of India (popularly known as the Board of Control or as the India Board), together with transcripts of records from foreign archives made at the request of the India Office, are fully described in Sir William Foster's *A Guide to the India Office Records* (London, 1919). In addition, the so-called "Home Miscellaneous" series, a voluminous mass of MSS emanating from many sources, has been inventoried with great care in S. C. Hill's *Catalogue of the Home Miscellaneous Series of the India Office Records* (London, 1927). These two works and the printed calendars and inventories of the records, which are in the India Office Library, enable the investigator to select what he wishes from the material available in the 48,000 volumes of MSS in the Record Department. For the other European MSS, usually of an unofficial character, most of which have been presented to the India Office Library by private individuals, the investigator must rely upon the *Catalogue of the Manuscripts in European Languages belonging to the Library of the India Office* (especially Vol. II, Part II, "Minor Collections and Miscellaneous MSS," ed. by G. R. Kaye and E. H. Johnston, London, 1937). This work is not as yet complete, and

there are MSS of this class which remain uncatalogued. Although the new catalogue assigns a separate number to each bundle of these MSS, they have been cited here by their old "MS Eur." designations which were still being used in calling for them in 1937-38 and which appear in the new catalogue beside their new numbers. In preparing this study, the following classes of MSS in the India Office have been used:

1. Financial Records

Home Journals and Ledgers
Bengal General Journals and Ledgers
Madras General Journals and Ledgers
Madras Treasury Journals and Ledgers
Madras Mint Account Current
Bombay General Journals and Ledgers

2. Company's Administration at Home

Court Minutes (Court of Directors)
General Court Minutes (General Court of Proprietors)
Various classes of Despatches to Bengal (originals or abstracts)
Various classes of Despatches to Madras (originals or abstracts)
Various classes of Despatches to Bombay (originals or abstracts)
Auditor's References
Memoranda of the Committee of Correspondence
Miscellanies (Secretary's letters out)
Miscellaneous Letters Received (Secretary's office: letters in)
Charters (papers concerning renewals of the Company's charter)
Parchment Records (official copies of treaties and other important documents)

3. Company's Administrations Abroad

Various classes of Despatches from Bengal (originals or abstracts)
Various classes of Despatches from Madras (originals or abstracts)
Various classes of Despatches from Bombay (originals or abstracts)
Various classes of Consultations (i.e., official records of the proceedings of a governor-general, governor, or chief in council or of a board or committee subordinate to such a council and deriving authority therefrom)
Bengal Consultations
Madras Consultations
Bombay Consultations
Factory Records, Persia (Basra Consultations)
Factory Records, Surat (Surat Consultations)
Factory Records, Tellicherry (Tellicherry Consultations)
Factory Records, Fort Marlborough (Benkulen Consultations)
Factory Records, St. Helena (St. Helena Consultations)
Bombay Governors' Letters Received

4. Miscellaneous

Home Miscellaneous

Marine Miscellaneous

French-in-India (miscellaneous British MSS concerning French activity in India)

Dutch Records A (miscellaneous British MSS concerning Dutch activity in India)

Portuguese Translations (translations of transcripts of the records of the *Conselho Ultramarino* in the Portuguese archives at Lisbon)

European Inhabitants (lists of Europeans not in the King's or Company's service)

Europeans in India (miscellaneous MSS concerning Europeans accused of misconduct in India)

Wills and Administrations: Bengal

Wills and Administrations: Bombay

5. European Manuscripts in the India Office Library

Of these, the Fowke MSS and Eur. MSS D 281, 282, 283, and 284 (numbered 425, 427, 428, and 429 in the new printed catalogue) have proved most useful. The latter consist of four volumes of MS notes collected about 1824 by someone who proposed to write a history of the trade of Bengal.

Manuscripts in Government Record Offices in India

Although I visited the record offices in Bombay, Calcutta, Madras, and Delhi in the winter of 1936-37, lack of time made it impossible for me to do more than take note of certain classes of records which are *not* duplicated in London. As the records in the Imperial Record Department were then being transferred from Calcutta to New Delhi, it was impossible to consult them. The only volumes consulted in India which have been extensively used in preparing this study are:

Madras Record Office, Public Department, Sundries, vols. 40 and 41 (letters of Europeans not in the King's or Company's service 1787).

Manuscripts in the Record Office of the Bank of England

The East India Company's Stock Ledgers

Manuscripts in the Public Record Office

Chatham MSS (sometimes cited as the Pitt Papers)

Foreign Office Correspondence: Denmark, Austria

Treasury Papers (series T.1)

Board of Trade Papers (B. T. series; for this period miscellaneous documents from the office of the Committee of the Privy Council for Trade)

Chancery Records (papers regarding suits to which the East India Company was a party)

Manuscripts in the British Museum

The following volumes of Additional MSS dealing specifically with East India affairs have been consulted:

- 13,808 Wellesley Papers: Various Papers, Reports, and Accounts relative to the Revenue and Trade of India and England 1784-1802
- 18,101 Papers of Isaac Titsingh
- 22,951 Memorandum Book of Ozias Humphrey, R.A., containing notes on money matters, pictures, etc., during a tour of India 1784-1787
- 32,165 Journal of a mission to India and China by an agent of the Austrian Government in connection with the Company trading in the East 1782-1785
- 33,031 Newcastle Papers
- 34,466-34,469 Auckland Papers, vols. LV-LVIII
- 34,685 Palk Papers, vol. I
- 35,918 Hardwicke Papers, vol. DLXX: "Necessary expense of fitting out a lad for the East Indies."
- 38,409 Liverpool Papers, vol. CCXX: Letters and Papers relative to the administration of the East India Company and to the affairs of India in General 1782-1801.

Manuscripts in Somerset House

Wills of "nabobs" and other returned Anglo-Indians

Manuscripts in the National Library of Scotland

The Melville Papers

Manuscripts in the possession of Francis Edwards or of myself

A few of these Melville Papers, many of which have since been sold by Mr. Edwards, were used for this study. For a description of these manuscripts, see my *Henry Dundas*, pages 315-318.

FRENCH

Manuscripts in the Archives Nationales

- i. Série AJ¹ (Official records of the new *Compagnie des Indes*, founded in 1785)

This series, separately inventoried in a volume which is not on the open shelves in the reading room and must be especially requested, is the chief source of information regarding French activity in India during the 1780's. The following volumes have proved most valuable:

- 7-8, Délibérations et Procès-Verbaux de la Compagnie (1785-1791)
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- 18, Correspondance relative aux passeports à délivrer aux armateurs particuliers

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- 234-235, Bureau des Achats: Lettres pour l'Inde
- 236-239, Bureau des Achats: Lettres pour l'Etranger
 - 247, Bordereau des Traités fournies par les agents du Bengale
 - 248, Bordereau des Traités fournies par le comptoir de Pondichéry
 - 255, Factures des Marchandises des Indes achetées en Europe
- 276-297, Grands livres de diverses ventes
 - 305, Factures des Marchandises exportées aux Indes (1785-1790)
 - 306, Factures des Marchandises importées des Indes (1786-1790)
 - 307, Factures des Cargaisons d'Inde en Inde (1785-1790)
- 351, Correspondance, renseignements généraux: Moka, Isles de France et Bourbon
- 352, Correspondance: Pondichéry, Surat, 1786-An XI.
- 353-354, Correspondance: Bengale (1785-1795)
- 357, Correspondance: Canton, Mer Rouge, Saint Domingue
- 361, Dossiers relatifs aux navires.

2. Government records concerning East India affairs

The bulk of French official records concerning French colonial activity in the East in the late eighteenth century, though deposited in the *Archives Nationales*, remain under the control of the *Ministère des Colonies*. In 1938 most of these records were inaccessible to scholars because they were reserved for official use by the *Ministère des Affaires Etrangères*. It was possible, however, to consult the following volumes of government documents to which this restriction did not apply:

Marine, série B⁴ 272, 276, 278, 280

Guerre, série A¹ 3738, 3764, 3765

Guerre, série B⁴ 62

Série AF III and AF IV (sundry items regarding French India 1789-1793)

3. Série T (Miscellaneous MSS belonging to private individuals tried before the various Revolutionary tribunals)

In this series, the volumes dealing with persons who had connections with the East India trade are:

381-8 Papiers Huber (private letters to and from Barthélémy Huber, a close associate of Necker and of James Bourdieu, a French merchant in London)

938 Cte. de Proslý: Mer Rouge (private papers of Cte. Charles de Proli and his brother Pierre de Proli, promoters of illicit trading ventures to India through Ostend and Trieste)

Manuscripts in the Archives du Ministère des Affaires Etrangères

1. Correspondance Politique

Danemark, tomes 165-168

Hollande, tomes 576-585

Pays Bas Autrichiens, tomes 174-184

2. Correspondance Consulaire et Commerciale

Amsterdam, tome 2, 1785-1793

Moka, un volume sans numéro, 1710-1829

3. Mémoires et Documents

Asie (These volumes, the most important at the Quai d'Orsay dealing with French India, were nearly all inaccessible in 1938, for the *prohibition* applied to the *Archives Coloniales* likewise applied to them.)

DUTCH

Manuscripts in the Algemeen Rijksarchief

1. Official Records of the Dutch East India Company

The records of the Dutch East India Company were undergoing reclassification in 1937-38. All these documents will ultimately have "Koloniaal Archief" numbers and will be cited "Kol. Arch." or "K. A." followed by the number. By far the most important sources of information on Dutch activity in India are the letters received by the Dutch company from their servants in the East (*brieven overgekomen van Indie*). These were inventoried a century or more ago in a MS volume chronologically by factories (i.e., first, the year; second, the factory; third, volumes of documents received from that factory usually in order of importance). Although these volumes have already received their Kol. Arch. numbers, they have been uniformly cited by me with the abbreviation A. R. O. B. followed by the factory, the year, and the volume number. For example A. R. O. B., Bengale 1776, I, refers to volume I of the documents received from Bengal during the year 1776. It should be borne in mind that the documents themselves always were written a year or more prior to the date of the volume in which they appear. This method of citation corresponds to the superscription on the backs of these volumes and to the inventory which every investigator must still use, as each letter and document is separately listed in the inventory. Nearly all the volumes are themselves provided with lists of their contents. I have simply used the designation A. R. O. B. to distinguish these volumes from the two other categories of the Dutch company's records.

Next in importance among the Dutch company's records come a mass of miscellaneous documents transferred in the 1930's to the *Algemeen Rijksarchief* from the archives of the Netherlands East Indies at Batavia. These were in a state of considerable confusion in 1937-1938 when they could be used only by consulting cards upon which they had been listed prior to their final classification. Whenever used, they have been cited

as A. R. Uncat., followed by the number appearing on the bundle when it was received. This number will be retained on these cards, thus enabling any future investigator to discover the new "Kol. Arch." number ultimately assigned to these bundles.

Finally, there is the class of records of the Dutch company which corresponds to the records of the English company's administration at home in Leadenhall Street. These have been cited by their "Kol. Arch." numbers (i.e., as A. R. K. A., followed by the number). They are a very difficult type of record to use because of the complexities of the Dutch company's home administration. The few volumes used were those dealing with the Company's financial accounts.

The following volumes drawn from these three categories of the Dutch East India Company's records proved of most value:

a. Letters received from the East

Bengale 1776, I, II

1777, I

1778, I, II, III

1786, I, II

1787, I, II, III

1788, I, II

1789, I (one vol. only received)

1790, I, II, III, VI

1791, I

1792, I, II, III

1793, I, II, III

1793-1795 (one vol. now classed with the archives of the O. I. Comité)

1795 (Van Citters' report now classed with the archives of the O. I. Comité)

1796, I (now classed with the archives of the O. I. Comité)

Coromandel 1780, II

1789, I

Malabar 1776, I

1781, I

1785, I

1788, III

1796, I (now classed with the archives of the O. I. Comité number 131).

Souratte 1776, I

1787, I

1789, I

Batavia 1785, III, IV, IV B

1786, VIII

1787, VII

1790, VIII

b. Uncatalogued miscellaneous MSS formerly in the government archives at Batavia

- 40,974 d Bijlagen 1783-84 Bengale
- 40,974 e Bijlagen 1786-87 Bengale
- 40,991 q (letter book of the Dutch commissioners sent from Chinsura to negotiate with Sir John Macpherson in 1785)
- 40,992 c "Beswaren tegen de Engelsche Natie" (in French)
- 40,992 h (miscellaneous MSS re the British capture of Chinsura 1781)
- 40,794 c or Az. Ind. Arch. 11,121 (Dutch translation of "Five Letters of a Free Merchant in Bengal to Warren Hastings" attributed to Joseph Price)
- 40,— (figures illegible), letters exchanged between the Dutch chiefs at Chinsura and the English governors-general in Bengal 1785-1794)
- 11,561 a (document c. 1790 re emoluments of the Dutch company's servants at Cochin)

c. Financial Records of the Dutch company's administration at home.

Although the *Algemeen Rijksarchief* contains the records of all the *kamers*, lack of time made it impossible to do more than examine the following volumes from the records of the most important *kamer*, Amsterdam. A brief examination of the General Journals and Ledgers not only of Amsterdam, but of the smaller *kamers*, indicated that they could be profitably used only by an investigator who had made a long and patient study of Dutch bookkeeping methods in the eighteenth century. All these volumes have Kol. Arch. numbers.

- 10,594 Groot-kapitaal boek van actien 1736-1787
- 10,465 Journalen der Opperboekhouder 1784-1788
- 10,209-10,211 Register van uit Indie getrokken wissels en assignatien 1774-1804
- 10,212 Contracten over het trekken van wissels uit Bengalen 1773-1785
- 10,389 Lijsten van de verdeling over verschillende kamers van der uit Indie getrokken assignatien 1778-1794; en klappers van uit Indie en de Kaap getrokken assignatien of de XVII betaalbar in de navolgende jaren 1778-1794
- 10,380 Advieslijsten van assignatien getrokken uit Bengalen en aldaar opgemaakt 1779-1790
- 10,382 Advieslijsten van assignatien getrokken uit Malabar en aldaar te Cochin opgemaakt 1779-1792
- 10,229 Bijeenbrenging van verkooping 1781-1795
- 12,049 Verzameling Indische Testamenten

2. Miscellaneous MSS, formerly in private possession

Manuscripts of this type concerning East India affairs may be found listed in the various volumes of *Verslagen omtrent 's Rijks oude archieven*,

an annual publication listing all acquisitions of the *Algemeen Rijksarchief*. Of these bundles, the following have been found most useful:

Falck MSS B 7 "Relaas van het neemen Chinsura door de Engelschen in 1781"

B 9 Correspondentie: Jan Goutvorst (Casimbazar)

B 10 "Staatkundigt en beredeniert betoog"

(re Dutch Company's affairs in Bengal 1757-1789)

C 15 "Memorie" by N. N. (1774)

C 26 Correspondentie: Eilbracht (Pulicat 1793)

Hogendorp MSS (1913)

9. Brieven aan Mevrouw Mr. Willem van Hogendorp-Van Haren van haar zoon Dirk [1774 April 7—1812 Dec. 1]

10. Brieven aan Mevrouw Mr. Willem van Hogendorp-Van Haren van haar zoon Gijsbert Karel 1773-1810

38. Gijsbert Karel van Hogendorp, Gedenkschriften: stukken betreffende een commercietractaat met Engeland (Feb.-Sept. 1791). Verkoop van der Oost-indische Compagnie en andere stukken 1792

143. Stukken betreffende Oost-Indie 1706-1788

144. Stukken betreffende Oost-Indie en den verkoop der Oost-indische Compagnie 1787-1792

Aanwinsten (1934), 1^{ste} afdeeling VIII, no. 10. (papers regarding negotiations for an Anglo-Dutch treaty 1789-1791.)

DANISH

Manuscripts in the Rigsarkiv

1. Official Records of the Danish East India Company (*Kgl. Oktrojerede Danske Asiatiske Kompagni*)

The records of the Danish East India Company are unusually complete and should be regarded as one of the most important sources for the economic history of northern Europe in the eighteenth century. Unfortunately, foreign scholars who have not been trained to read Danish written in German script cannot make adequate use of them. There is, however, a large amount of material in German, French, and English. Moreover, the Danish company's financial documents and books of account probably form the clearest, most intelligible, and most complete record of the course of the East India trade in the eighteenth century now in existence. The Danish company's records are briefly described in K. Erslev, *Rigsarkivet og hjælpemidlerne til dets benyttelse en oversigt* (Copenhagen, 1923), pp. 57-58. They can be used only with the aid of the MS inventory at the *Rigsarkiv*. The following volumes have been consulted. These volumes have been uniformly cited D. R., As. Co., followed by the classification appearing in the inventory.

A 2, 475-477 Aktie Transport-Bøger 1776-1799

A 2, 541-547 Negotie Hoved-Bøger 1783-1796

- A 2, 582-592 *Negotie Journaler* 1783-1796
 A 2, 264-266 *Gen. Ballancer* 1752-1816
 A 2, 428-429 *Alphabetisk Fortegnelse over Interessenter*
 A 1, 105-112 *Indenlandske eller Europæiske Breve:*
 Copie-bøger 1783-1794
 A 1, 220 *Breve fra Faktoret i Bengalen* 1786-1789
 A 1, 162 *Indianske og Kinesiske Breve: Copie-bog* 1787-1792
 B 3, 1708 *Trankebar: Mont og Kurstabeller* 1789-1819
 B 3, 1712-1721 *Trankebar: Sø-toldregns-kaber* 1783-1793
 B 1, 1396 *Diverse indkommende breve til Gouv. i Trankebar*
 1778-1833
 B 4, 1787-1797 *Trankebar: Indkommende Breve-bøger* 1780-1802
 B 4, 1798-1799 *Trankebar: Udgaaende Breve-bøger* 1779-1803

2. Official government records regarding East India affairs

Nearly all Danish government records specifically concerned with East India affairs are to be found under the heading "Kommercekollegiet" in the *Rigsarkiv*. These MSS are inventoried briefly in the guide to the Danish archives by Erslev above cited (pp. 45-48) and in much greater detail in the official *Vejledende Arkivregistraturer* (Copenhagen, 1892), vol. II, pp. 330 *et seq.* The following bundles have been consulted:

Ostindiske Copie-bøger 1783-1793

MSS "Angaaende den ostindisk-kinesiske Handel og de kgl. Intrader derauf 1781-1792"

Diverse Ujourn. ostind. Sager, 1781-1819

Schimmelmanske Sager 1779-1806

Manuscripts in the Royal Library

On East India affairs, the Royal Library possesses two volumes of MSS presented by Kay Larsen, the leading authority on Danish colonial history. The volumes contain notes collected by Larsen over a long period of years regarding both persons and ships engaged in the East India trade. These "Dansk-Ostindiske Personalia og Data" have been typed and arranged alphabetically. This compilation proved chiefly useful as a source of information concerning ships which sailed to India under the Danish flag. Larsen listed all such ships irrespective of the real nationality of their owners and gave biographical notices not only of Danish but of all European merchants known to have resided at the Danish settlements.

ORIGINAL SOURCES: PRINTED

GOVERNMENT DOCUMENTS

British

Report from the Select Committee appointed to examine the reports of the Directors of the East India Company June 22, 1784. [Bound with the First Report from the Select Committee on the State of Administration of Justice in Bengal, Bihar, and Orissa.] 1784.

First Second and Third Reports of the Select Committee appointed by the Court of Directors of the East India Company to take into consideration the Export Trade from Great Britain to the East Indies. 1793.

Report of the Select Committee of the Court of Directors of the East India Company upon the subject of the cotton manufacture of this country. 1793.

First Report of the Select Committee appointed to take into consideration the present state of commercial credit. 1793.

Special Committee on the Affairs of the East India Company. Third Report. 1802.

Parliamentary Papers regarding the financial accounts and bonded and other debts of the East India Company. [Those ordered to be printed between 1784 and 1793 are listed in the *Catalogue of papers printed by order of the House of Commons (1731-1800) in the custody of the clerk of the journals*, published in 1807. Many are reprinted in the *Parliamentary Register* printed by Debrett. Among the Melville MSS in my possession is a collection of these accounts for the years 1786-1793.]

French

Arrêt du Conseil d'Etat du Roi portant établissement d'une nouvelle Compagnie des Indes 14 avril 1785 (Paris, 1785).

Dutch

Extract uit de Resolutien van de Heeren Staaten van Holland en Westvriesland in Haar Ed. Groot Mog. Vergadering genomen op Donderdag den 30 Oktober 1783 (The Hague, 1783).

Staat der Generale Nederlandsche Oost-Indische Compagnie, behelzende rapporten van de Heeren G. J. Doys Baron van der Does, Heer van Noordwyck, Mr. P. H. Van der Wall, Mr. J. Rensdorp en Mr. H. Van Straalen, als mede nader Rapport van Gemelde Heeren Gecommitteerden en Bijlagen in dato 14 July 1791. 2 vols. (Amsterdam, 1792).

Resolutie van de personele commissie van Zeeland van den 3 Nov. 1795.

Resolutie van de provinciale repraesentaten des Volkes van Zeeland van den 3 Nov. 1795.

Spanish

Real Cedula de Ereccion de la Compañia de Filipinas de 10 de Marzo de 1785 (Madrid, 1785).

COLLECTIONS OF OFFICIAL DOCUMENTS

British

A collection of all treaties of peace, alliance, and commerce between Great Britain and other powers, from the treaty signed at Münster in 1648, to the treaties signed at Paris in 1783. To which is prefixed a discourse on the conduct of the government of Great-Britain in respect to neutral nations by the Rt-Hon Charles Jenkinson. (1785).

A collection of Miscellanies relating to coinage in India. [Corr. dated Nov. 1750-May 1758.] Calcutta, no date.

An authentic copy of the correspondence in India, between the country powers and the East India Company's servants. With the Minister of the supreme council at Calcutta. Forming a collection of India-papers, laid before Parliament in 1786. 6 vols. (1787).

Papers respecting the Negotiation for a renewal of the East India Company's Exclusive Trade (1793).

By-Laws, Constitutions, Orders and Rules for the United Company of Merchants of England trading to the East-Indies (1794).

Proceedings relative to Ships tendered for the Service of the United East India Company, 8 vols. (1780-1809).

Papers relating to illicit trade (1799).

Further papers respecting trade between India and Europe (1802).

Heads of Speeches delivered in the House of Commons by the several Presidents or Members of the Rt. Hon. the Board of Commissioners for the Affairs of India relative to the Finances of the East India Company, 2 vols. (1809).

A Collection of Charters and Statutes relating to the East India Company with Appendix (1817).

Bengal and Madras Papers. 1671-1785, 3 vols. (Calcutta, 1928).

Bengal Records, District Records. Rangpur, vols. III (1783-85), IV (1779-85), VI (1786-87). Calcutta, 1920-1928.

Bengal Records, District Records. Dinapur, vol. II (1786-88). Calcutta, 1924.

Madras Government, Selections from the Records.

Dutch records (Madras 1908-1911)

No. 2 Moens, Adriaan, *Memoir written in 1781* (1908).

No. 4 Angelbeck, J. G. van, *Memoir delivered to J. L. van Spall in 1793* (1908).

No. 5 Anon. *Historical account of Nawab Hyder Ali Khan* (1908).

No. 6 *List of Dutch manuscripts, letters, and official documents* (1909).

No. 13 Gallette, A., and others, *The Dutch in Malabar, being a translation of selections nos. 1 and 2* (1911).

Calendar of a volume containing Notifications (1779-1824) issued by the Danish Administration at Tranquebar (Madras, 1908).

Aitchison, C. W., *A collection of Treaties, Engagements and Sumnuds relating to India and the Neighbouring Countries* 7 vols. (Calcutta, 1862).

Browning, Oscar, ed., *Despatches from Paris 1784-1790 selected and edited from the Foreign Office correspondence.* Royal Historical Society, Camden, 3rd series, vols. XVI, XIX (1909-10).

- Campbell, Sir Archibald, *Regulations for the Company's troops on the Coast of Coromandel* [c. 1788].
- Fauvel, Albert A., *Unpublished Documents on the History of the Seychelles Islands anterior to 1810* (1909).
- Forrest, Sir George W., *Selections from the State Papers of the Governors-General of India. Lord Cornwallis* 2 vols. (1926).
- Hunter, Sir W. W., ed., *A Selected List of 19,136 Letters in the Boards of Revenue, Calcutta 1782-1807* (1894).
- James, John Francis William, ed., *Selections from the Correspondence of the Revenue Chief of Bihar 1781-1786* (Patna, 1919).
- Janisch, H. R., *Extracts from the St. Helena Records* (St. Helena, 1885).
- Russell, F., *A Collection of Statutes concerning the Incorporation, Trade, and Commerce of the East India Company* (1794).
- Sarkar, Sir Jadunath, general ed., *English Records of Maratha History: Poona Residency Correspondence*.
 Vol. I, *Mahadaji Sindhia and North Indian Affairs 1785-94* (ed. Sir Jadunath Sarkar). Bombay, 1936.
 Vol. II, *Poona Affairs 1786-1797* (ed. Govind Salcharam Sardesai). Bombay, 1936.
 Vol. III, *The Allies War with Tipu Sultan* (ed. Nirod Bhusan Ray). Bombay, 1937.
 Vol. IV, *Maratha-Nizam Relations 1792-1795* (ed. V. G. Dighe). Bombay, 1937.
- Shore, Sir John, *Minute on the general and supplementary reports of the joint Commissioners appointed to inspect into the state and condition of the Province of Malabar in 1792 & 93* (Madras, 1879).

French

- Archives de l'Inde Française: Procès-Verbaux des délibérations du Conseil Souverain de la Compagnie des Indes*, Société de l'Histoire de l'Inde Française, 2 vols. (Pondichéry, 1913-14).
- Diagou, Gnanou, ed., *Arrêts du Conseil Supérieur de Pondichéry, 1735-5 vols.* [in progress] (Paris, 1935-).
- Gaudart, Edmond, ed., *Correspondance des agents à Pondichéry de la nouvelle Compagnie des Indes avec les administrateurs à Paris 1788-1803*, Société de l'Histoire de l'Inde Française (Pondichéry, 1931).
- *Catalogue des manuscrits des anciennes archives de l'Inde Française*, Société de l'Histoire de l'Inde Française, 8 vols. (Paris, 1924-1936).
 Vol. I, *Pondichéry 1690-1789*
 Vol. II, *Pondichéry 1789-1815*
 Vol. III, *Chandernagor et les loges du Bengale 1730-1815*
 Vol. IV, *Karikal, 1739-1815*
 Vol. V, *Mahé et loges de Calicut et de Surate 1739-1808*
 Vol. VI, *Yanaon, Mazulipatam et diverses localités 1669-1793*

Vol. VII, *Pondichéry 1816-1855*

Vol. VIII, *Etablissements secondaires et loges 1816-1855*

Isambert, François André, *Recueil Général des Anciennes Lois Françaises* (Paris, 1822).

Martineau, Alfred, ed., *Lettres et Conventions des Gouverneurs de Pondichéry avec les divers princes indiens 1666-1793*. Société de l'Histoire de l'Inde Française (Paris, 1912).

Dutch

Heeres, J. E., and Stapel, F. W., *Corpus diplomaticum neerlandico-indicum*. K. Inst. voor Taal-, Land-, en Volkenkunde van Ned. - Indie, bijdragen, deelen 57, 87, 91, 93, 96 [in progress]. (The Hague, 1907-.)

Jonge, J. K. J. de, *De opkomst van het Nederlandsch Gezag in Oost-Indie. Verzameling van onuitgegeven stukken uit het oudkoloniaal archief*. 1ste reeks (13 deelen); 2de reeks (3 deelen). (The Hague, 1862-1895).

Mijer, P., *Verzameling van Instructien Ordonnancien en Reglementen voor de Regering van Nederlandsch Indie* (Batavia, 1848).

Pieris, P. E., *Some documents relating to the rise of Dutch power in Ceylon* (Colombo, 1929).

Van der Chijs, J. A., *Nederlandsch-Indisch Plakaatboek 1602-1811*. 16 deelen. (The Hague, 1885-1897).

Van Hogendorp, Dirk [and others], *Stukken raakende den tegenwoordigen toestand der Bataafsche Bezittingen in Oost-Indie* (Delft, 1801).

Portuguese

Biker, J. F. J., ed., *Collecção de tratados e concertos de pazes que o estado da India Portuguesa fez com os reis e senhores com quem* 10 vols. (Lisbon, 1881-1885).

CONTEMPORARY WORKS

PAMPHLETS

Anonymous, *First, Second & Third Letters to Edm. Burke, Esq. on the report of the Select Committee on the State of Justice in Bengal* (1783).

——— *Letter to the Proprietors and Directors of India Stock, with Epistle dedicatory to Robert Gregory, Esq.* (1783).

——— *Short State of the present situation of the India Company* (1784).

——— *A Retrospective View of the Ancient System of the East India Company with a plan of Regulation*. [Attributed to Alexander Dalrymple.] (1784).

——— *Original Papers relative to the Establishment of a Society in Bengal for the Protection of the Orphans of Officers dying in indigent circumstances and also of the Children of Non-commissioned and Private Europeans belonging to the East India Company's service* (1784).

- *Review of the Question concerning the Government of the British Possessions in India with the Heads of a Plan Proposed by a Member of Parliament.* [Attributed to Henry Dundas, but its authorship is not definitely established.] (1784).
- *De Oost en West Indische Post* (Utrecht, 1784-85).
- *Remarks on the Commutation Act* (1785).
- *A serious address to the Proprietors of East India Stock, . . . on the subject of the present disputes relative to the Company's shipping* (1786).
- *Etat actuel de l'Inde, et considérations sur les établissements & le commerce de la France dans cette partie du monde, sur les améliorations dont ils sont susceptibles & sur la meilleure manière d'y faire le commerce* (London and Paris, 1787).
- *Mémoires relatives à la discussion du privilège de la nouvelle compagnie des Indes* (Amsterdam, 1787).
- *A hasty sketch of the conduct of the Commissioners for the Affairs of India.* [Question of sending four regiments of King's troops to India.] (1788).
- *Observations relative to the Resources of the East India Company for Productive Remittance.* [Attributed to Patrick Colquhoun.] (1788).
- *Remarks upon Colonel Fullarton's "View of the English Interests in India."* By an Officer late in the Company's Service in Bengal (1788).
- *Considerations relative to a Plan of Relief for the Cotton Manufactory by the Establishment of a General Hall in the City of London for the sale by auction of the British Cotton Goods of similar fabrics with those imported from India* (1788).
- *An account of the Monies, Weights and Measures in general use in Persia, Arabia, East Indies, etc.* (1789).
- *An address to the people of England in the apprehended sacrifice of their interests by a renewal of the Company's Charters* (1790).
- *De l'Inde ou Reflexions sur les moyens que doit employer la France relativement a ses possessions en Asie* (1791).
- *Narrative of the operations of the British Army in India from April to July 1791* (1792).
- *Strictures and occasional observations upon the System of British Commerce with the East Indies* (1792).
- *Letters to the Rt. Hon. Henry Dundas on his Inconsistency as the Minister of India* (1792).
- *The Right in the West-India Merchants to a Double Monopoly of the Sugar Market of Great Britain.* (n.d.). [1792 ?]
- *Letters, Political, etc. on the Province of Oude, addressed to Sir John Shore* (1793).

- *Letter from an Officer in India to his Correspondent in England* (1794).
- *Letters on the Present State and Government of the Province of Oude* (1793).
- *Three letters to a Friend in India on importing Bengal Sugars into England*. [By a supporter of the W. I. interest.] (1793).
- *Narrative sketches of the conquest of Mysore* (1800).
- *The History of Prince Lee Boo, son of Abba Thulle, King of the Pelew Islands, brought to England by Captain Wilson, Commander of the Antelope, East India Packet, which was wrecked off these islands on her passage from China on the 9th of Aug. 1783. With an account of Lee Boo's Death* (1803).
- *Intercepted Correspondence from India* (1805).
- Anderson, George, *A General View of the Variations which have been made in the Affairs of the East India Company* (1792).
- Baldwin, George, *The Communication with India by the Isthmus of Suez vindicated . . .* [Letters to the Court of Directors Feb. 1784.] (1784).
- Baring, Francis, *The Principle of the Commutation Act* (1786).
- Bristow, James, *Narrative of Sufferings during ten years Captivity with Hyder Ali and Tippoo Sahib*, 2nd ed. (Calcutta, 1794).
- Broome, Ralph, *Comparative Review of the Administration of Mr. Hastings and Mr. Dundas* (1791).
- Brough, Anthony, *Considerations on the Necessity of Lowering the exorbitant Freight of Ships employed in the Service of the East India Company* (1786).
- Burke, Edmund, *Letters to the Directors & Proprietors of East India Stock* (1782).
- Campbell, Lawrence D., *Letter to a Member of Parliament on the charges against Marquis Wellesley* (1808).
- Cambry, Jacques, *Observations sur la Compagnie des Indes* (1787).
- Capper, James, *Observations on the passage to India through Egypt* (1785).
- Casenove, Théophile, *Lettre de M. Théophile Cazenove d'Amsterdam à M. J. J. Pallard de Marseille* (1785).
- Chamier, John, *Meteorological Account of weather of Madras from 1 June 1787 to 31 December 1790* (n. d.)
- Cotton, Joseph, *Review of the Shipping System of the East India Company* (1798).
- Couteur, J. le, *Letters chiefly from India; containing an account of the Military Transactions on the Coast of Malabar* (1790).
- Crauford, George, *Enquiry into the situation of the East India Company* (1789).

- Dallas, Sir George, *Letter to Sir William Pulteney on the trade between India and Europe* (1802).
- Dalrymple, Alexander, *Memoir concerning the passages to and from China, June 1782*, 3rd ed. (1787).
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CORRIGENDA

Page 146, note 83: for *Préville* read *Pandore*

147, note 85: *for the Préville which accompanied the Pandore
read the Pandore's voyage*

341, line 14: *for The brothers Daniell read The two Daniells*

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